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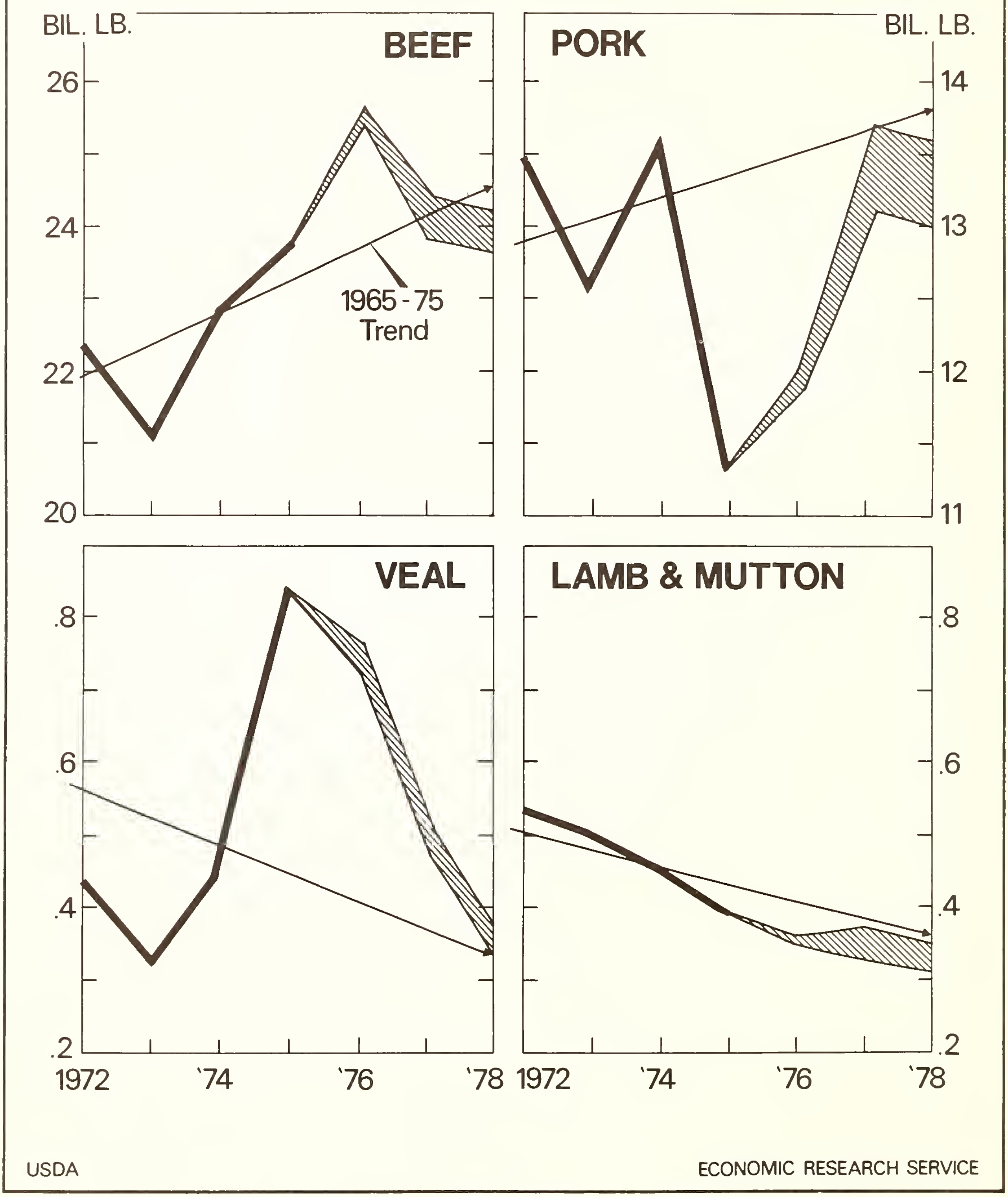
LIVESTOCK AND MEAT Situation

U. S. DEPARTMENT OF AGRICULTURE

ECONOMIC RESEARCH SERVICE

COMMERCIAL MEAT PRODUCTION



LIVESTOCK AND MEAT SITUATION

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SUMMARY

The livestock outlook through mid-1977 will be dominated by prospects for the continued cyclical expansion in pork production and a high, but easing, output of beef.

Despite a strong domestic demand for meat, large supplies of pork will keep pressure on hog prices into 1977. Continued large slaughter of fed cattle and seasonal increases in slaughter of cattle off grass point to little, if any, strengthening in cattle prices at least until late this fall or winter. Then some price strength toward the mid-$40's is expected by midyear.

The September 1 Hogs and Pigs report, covering 14 major hog-producing States, indicated a 21-percent increase in the number of pigs farrowed this summer and was above June 1 intentions. However, the planned increase for September-November farrowings represents some backing off from the expansion plans reported early this summer. If actual farrowings are near the levels indicated, hog slaughter during the first half of 1977 could be 17 to 19 percent above a year earlier. Slaughter during the winter quarter could approach a rate 20 percent above a year earlier. Although a seasonally lower slaughter level is expected next spring, both the winter and spring totals will likely be larger than during October-December of this year. Indications of potential farrowings for December-February point to a 9-percent increase. Farrowings during the spring will likely show a more moderate year-to-year gain, suggesting continued increases in pork production through 1977.

While total red meat supplies in the first half of 1977 will be down from the last half of this year, they should still be up moderately from a year earlier. Broiler output also is expected to continue above 1976. With big gains expected for pork and other meats, continued weakness in hog prices is likely during the first half of next year. Barrows and gilts at seven markets may average in the mid-$30's during the winter, and with seasonal reductions in slaughter next spring, prices may advance to the upper $30's.

Prospects for some improvement in fed cattle prices by fall faded as slaughter through the

summer months rose to an alltime high. With the movement of cattle off grass at a seasonal peak, little, if any, price improvement is expected until late fall or winter. Although some cutback in beef production is indicated in 1977, slaughter will continue heavy enough to further reduce cattle numbers in 1977. However, the inventory reduction is not expected to approach this year's anticipated drawdown of 6 to 8 million head.

Beef production during the summer quarter was record large at more than 6½ billion pounds, a tenth above third quarter 1975. Per capita consumption increased a like amount.

Fed cattle slaughter apparently accounted for 60 percent of commercial slaughter during the summer quarter, compared with only about 50 percent last year. Slaughter of fed cattle in the fall quarter probably will be down slightly from the summer. Although down from a year ago, seasonal increases in slaughter of cattle off grass will reduce the percentage that fed cattle make of total slaughter this fall. However, fed cattle marketings for the summer and fall may be up around 20 percent from year-earlier levels. Combined numbers of cattle slaughtered this summer were about 3 percent larger than last year but a slight year-to-year reduction in slaughter is in prospect for the fall quarter. But with a larger proportion of fed cattle, carcass weights may average 3 to 4 percent above a year earlier.

Lower than expected feed grain availability coupled with sustained cattle feeding losses will hold fall feedlot placements slightly below the year-earlier level. Although August placements in the seven States were 10 percent above a year ago, the number of cattle moving onto feed in 23 States during July-September may have held near last year's total. This would indicate some reduction in fed cattle slaughter during the first half of 1977. Reductions in both fed and nonfed slaughter may reduce commercial cattle slaughter about 5 percent.

The sheep and lamb inventory was down 8 percent last January 1. A greater reduction in slaughter this year indicates more ewe lambs are being held for replacement. Next January's inventory may be down only 5 to 7 percent, but this still points to lower lamb slaughter in 1977. Slaughter lamb prices likely will strengthen as the kill drops off later this fall and may average in the mid-$40's. These prices should move into the low $50's by spring.

SITUATION AND OUTLOOK

Commercial Meat Production and Livestock Prices

	1975				1976				1977[2]	
	I	II	III	IV	I	II	III[1]	IV[2]	I	II
Production:										
Beef (mil. lb.)	5,842	5,593	5,942	6,296	6,491	6,143	6,600	6,350	6,100	5,900
% Δ year earlier	+8	-1	+3	+5	+11	+10	+11	+1	-6	-4
% Δ previous qtr	-3	-4	+6	+6	+3	-5	+7	-4	-4	-3
Pork (mil. lb.)	3,044	2,923	2,512	2,835	2,895	2,782	2,950	3,300	3,500	3,300
% Δ year earlier	-10	-17	-23	-17	-5	-5	+15	+16	+21	+19
% Δ previous qtr	-11	-4	-14	+13	+2	-4	+4	+14	+6	-5
Lamb and Mutton (mil. lb.)	101	96	104	98	95	81	93	90	85	80
% Δ year earlier	-15	-12	-12	-9	-6	-16	-11	-8	-10	-1
% Δ previous qtr	-6	-5	+8	-6	-3	-15	+15	-3	-5	-6
Veal (mil. lb.)	166	182	232	247	206	178	200	160	130	125
% Δ year earlier	+100	+117	+92	+60	+24	-2	-14	-35	-37	-30
% Δ previous qtr	+8	+10	+27	+7	-17	-14	+12	-20	-19	-4
Total Red Meat (mil lb.)	9,153	8,794	8,790	9,476	9,687	9,184	9,820	9,900	9,815	9,405
% Δ year earlier	+2	-6	-5	-2	+6	+4	+12	+5	+1	+2
% Δ previous qtr	-6	-4	0	+8	+2	-5	+7	+1	-1	-4
Prices $/cwt:										
Choice steers, Omaha 900-1100 lb.	35.72	48.03	48.64	46.05	38.71	41.42	37.30	37-39	40-42	44-46
Barrows & gilts, 7 mkts	39.35	46.11	58.83	52.20	47.99	49.19	43.88	35-37	34-36	36-38
Slaughter lambs, 5 mkts	40.28	46.89	42.51	45.03	49.35	56.66	42.65	44-46	45-47	52-54

[1] Preliminary. [2] Forecast.

FEED SITUATION

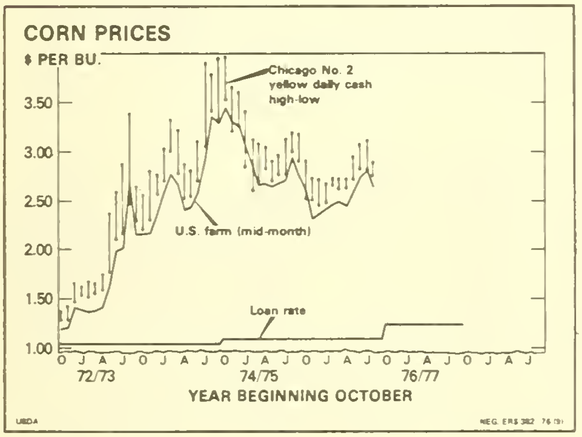
A Look at Feed Markets

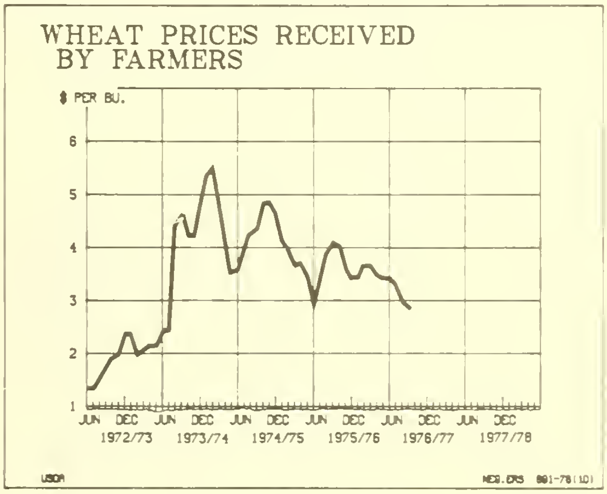
Early summer prospects for large crops of corn and soybeans pointed toward a sizable price decline for feed grains and protein feed by this fall. But with deterioration in crop prospects, corn and soybean markets perhaps will make only a normal decline from their summer peaks when harvests are in full swing.

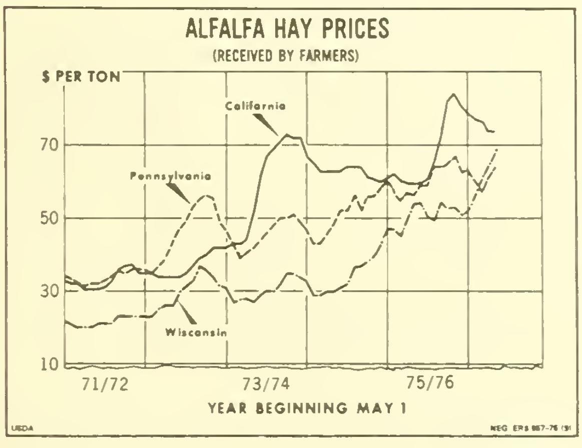
Back in mid-July, Chicago cash corn (daily basis) reached its 1975/76 season peak of $3.12 per bushel and now well into autumn, prices are mostly quoted at $2.60-$2.70. In early July, soybean meal (44 percent protein) at Decatur peaked at $222 per ton and was quoted at mostly around $170 in early October.

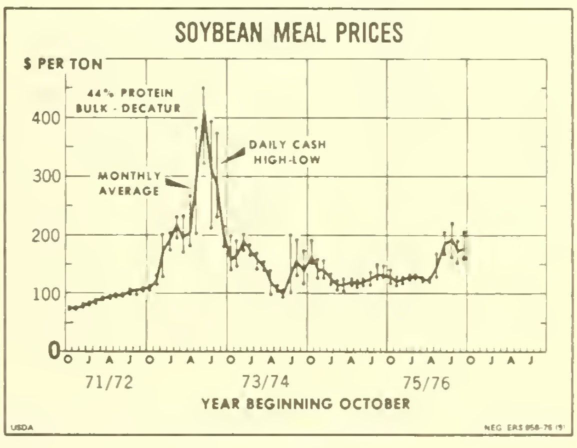
The U.S. livestock and poultry industry accounts for about 70 and 75 percent of total demand for corn and soybean meal respectively and has the greatest impact on feed markets once their supplies have been determined. Some sectors of the feeding industries have been in a financial squeeze throughout much of the 1975/76 feeding season. Commercial cattle feeders, and more recently turkey producers have mostly been operating in the red. Hog finishing operations have recently sustained losses largely because of a sharp decline in the hog markets. Dairymen, broiler and egg producers, and farrow-to-finish hog operations are generally coming off a good feeding season.

With small carryovers of feed grains this fall and a much smaller 1976 soybean crop, markets will continue sensitive to changes in demand developments during the course of the October-September 1976/77 feeding season. Current supply-demand prospects suggest that feed grain prices to producers in the 1976/77 feeding year may average around year-earlier levels. If livestock feeding margins remain low and producers reduce feed grain use, feed price movements may be contraseasonal, holding strong through harvest and moving lower through the feeding year.









HOGS

High feed costs and lower market prices in prospect for hog producers will continue to cut into profits. Still, the larger pig crop reported for the June-August period and the planned increase in the number of sows to farrow this fall will assure year-to-year increases in pork production through the spring quarter of 1977.

The September 1 Hogs and Pigs Report, covering 14 major hog-producing States, indicates a 21-percent increase in the number of pigs farrowed this summer and exceeded June 1 intentions. However, the planned increase for September-November farrowings represents some backing off from expansion plans reported early this summer. If fall quarter farrowings are near the level indicated, the June-November pig crop could be about 18 percent larger. Most of these pigs will move to market as slaughter hogs during the first six months of next year.

Hog slaughter during the winter and spring quarters of 1976 trailed the previous year's total. At 34.3 million head, first half commercial slaughter was 6 percent less than in 1975. Hog kill during the summer months ran about 17 percent above last year's total, reflecting the sharp increase in the December-February pig crop. The year-to-date total of approximately 52 million head was largely unchanged from the first three quarters of 1975.

The September inventory of market hogs by weight groups points to a large fall slaughter. The 14-State inventory of market hogs weighing 60 to 180 pounds was up 18 percent from a year ago. This corresponds with a 19-percent increase in the March-May pig crop. Most of the fall quarter's slaughter hogs will be drawn from this weight group. Judging from the inventory data, the fourth quarter total could run around 19½ million head, up a tenth from the summer and 16 to 17 percent above October-December 1975. The

Table 1—Pork supplies and prices

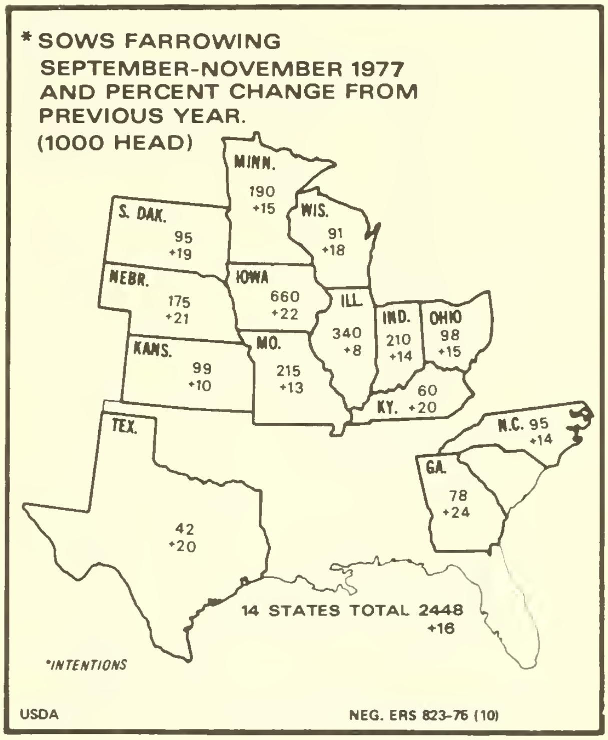
Year	Estimated commercial slaughter[1]				Average dressed weight	Commercial production	Per capita consumption[2]	Prices		
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets	Farm
	1,000 head				*Lb.*	*Mil lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	*$/cwt.*
1971: I ...	22,812	1,270	174	24,256	151	3,671	18.3	69.2	17.60	17.10
II ...	21,938	1,452	220	23,610	156	3,678	17.8	68.8	17.33	16.80
III ...	20,524	1,570	214	22,308	154	3,441	18.0	71.3	19.27	18.47
IV ...	22,499	1,563	202	24,264	157	3,816	18.9	71.9	20.06	19.33
Year	87,773	5,855	810	94,438	155	14,606	73.0	70.3	18.45	17.92
1972: I ...	21,029	1,053	178	22,260	157	3,503	17.7	79.0	24.67	23.90
II ...	20,055	1,135	199	21,389	158	3,386	16.6	79.9	25.00	24.33
III ...	17,943	1,305	193	19,441	158	3,064	15.8	86.1	28.85	27.87
IV ...	19,944	1,495	178	21,617	162	3,507	17.3	87.7	28.89	27.93
Year	78,971	4,988	748	84,707	159	13,460	67.4	83.2	26.67	26.00
1973: I ...	18,949	1,080	195	20,224	161	3,262	16.0	98.1	35.63	34.50
II ...	18,274	998	206	19,478	163	3,178	15.4	103.1	36.82	35.90
III ...	15,482	1,190	203	16,875	165	2,791	14.0	121.8	49.04	47.13
IV ...	18,842	1,195	181	20,218	166	3,347	16.2	116.1	40.96	39.87
Year	71,547	4,463	785	76,795	164	12,578	61.6	109.8	40.27	39.35
1974: I ...	18,887	1,075	187	20,149	168	3,378	16.7	115.2	38.40	38.13
II ...	19,659	1,174	181	21,014	168	3,531	17.2	99.3	28.00	27.03
III ...	17,699	1,802	204	19,705	165	3,243	16.1	107.4	36.59	34.63
IV ...	19,124	1,588	182	20,894	164	3,431	16.6	111.0	39.06	37.40
Year	75,369	5,639	754	81,762	166	13,583	66.6	108.2	35.12	34.30
1975: I ...	17,711	886	162	18,759	162	3,044	15.0	114.4	39.35	38.43
II ...	16,704	939	165	17,808	164	2,923	14.1	123.1	46.11	43.93
III ...	14,151	1,003	153	15,307	164	2,512	12.3	149.2	58.83	56.20
IV ...	15,659	982	172	16,813	169	2,836	13.4	153.4	52.20	51.63
Year	64,225	3,810	652	68,687	165	11,314	54.8	135.0	48.32	47.55
1976: I ...	16,605	694	133	17,432	166	2,895	14.0	141.5	47.99	46.97
II ...	15,960	718	141	16,819	165	2,782	13.2	138.5	49.19	47.87
III ...	16,800	1,000	150	17,950	164	2,950	14.2	138.0	43.88	43.33
IV ...										
Year										

[1] Classes estimated. [2] Total including farm production. [3] Estimate.

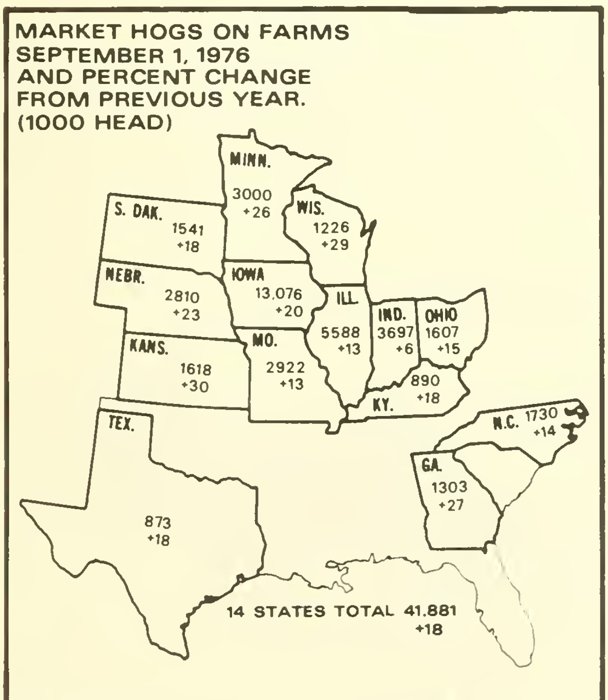
September 1 inventory, farrowings and pig crops, 14 selected states

Item	1974	1975	1976	1977	1976/ 1975
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*% change*
INVENTORY: . . .	50,175	41,535	48,695		+17
Breeding:	6,825	6,011	6,814		+13
Market:	43,350	35,524	41,881		+18
Weight groups					
-60 lb.	16,597	14,397	17,025		+18
60-119 lb. . .	11,654	8,990	10,655		+19
120-179 lb. .	8,978	7,182	8,433		+17
180-219 lb. .	5,050	4,157	4,857		+17
220 lb. + . . .	1,071	798	911		+14
FARROWINGS:					
Dec.-Feb.	2,258	1,778	2,047	[1] 2,240	+15
Mar.-May	3,245	2,428	2,815	(+9)	+16
Dec.-May	5,503	4,206	4,862		+16
June-Aug.	2,424	2,088	2,476		+19
Sept.-Nov.	2,280	2,103	[1] 2,448		+16
June-Nov.	4,704	4,191	4,924		+17
PIG CROPS:					
Dec.-Feb.	15,590	12,540	14,552		+16
Mar.-May	23,113	17,469	20,743		+19
Dec.-May	38,703	30,009	35,295		+18
June-Aug.	17,128	15,020	18,104		+21
Sept.-Nov.	16,127	15,182			
June-Nov.	33,255	30,202			
PIGS PER LITTER:					
Dec.-Feb.	6.90	7.05	7.11		+1
Mar.-May	7.12	7.19	7.37		+3
Dec.-May	7.03	7.13	7.26		+2
June-Aug.	7.07	7.19	7.31		+2
Sept.-Nov.	7.07	7.22			
June-Nov.	7.07	7.21			

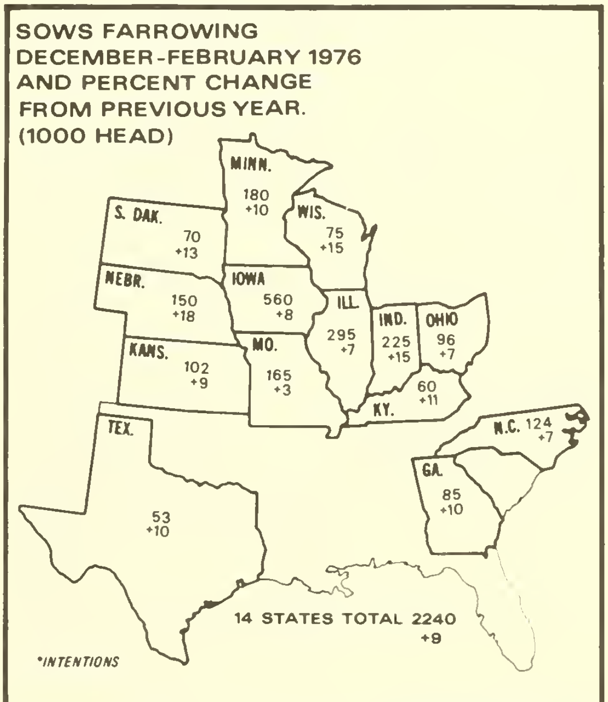
[1] Intentions



* SOWS FARROWING SEPTEMBER-NOVEMBER 1977 AND PERCENT CHANGE FROM PREVIOUS YEAR. (1000 HEAD)



MARKET HOGS ON FARMS SEPTEMBER 1, 1976 AND PERCENT CHANGE FROM PREVIOUS YEAR. (1000 HEAD)



SOWS FARROWING DECEMBER-FEBRUARY 1976 AND PERCENT CHANGE FROM PREVIOUS YEAR. (1000 HEAD)

Federally Inspected Hog Slaughter

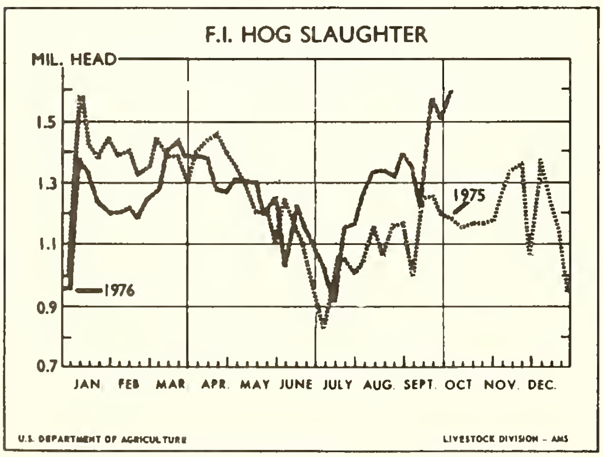
Week ended 1976[1]	1973	1974	1975	1976
	Thou.	*Thou.*	*Thou.*	*Thou.*
Jan. 10 ..	1,559	1,566	1,588	1,409
17	1,527	1,577	1,432	1,326
24	1,555	1,598	1,385	1,227
31	1,342	1,328	1,450	1,203
Feb. 7 ...	1,488	1,185	1,424	1,208
14	1,471	1,541	1,419	1,234
21	1,372	1,403	1,340	1,168
28	1,525	1,564	1,352	1,255
Mar. 6 ...	1,542	1,554	1,453	1,273
13	1,522	1,555	1,395	1,422
20	1,596	1,493	1,393	1,403
27	1,354	1,637	1,315	1,383
Apr. 3 ...	1,430	1,589	1,404	1,388
Apr. 10 ..	1,352	1,519	1,439	1,387
17	1,441	1,602	1,478	1,290
24	1,454	1,515	1,401	1,271
May 1 ...	1,612	1,547	1,368	1,321
May 8 ...	1,561	1,678	1,301	1,309
15	1,412	1,534	1,221	1,316
22	1,433	1,626	1,221	1,197
29	1,263	1,392	1,101	1,257
June 5 ..	1,397	1,621	1,294	1,038
12	1,378	1,596	1,254	1,199
19	1,282	1,343	1,163	1,155
26	1,319	1,285	1,132	1,103
July 3 ...	1,016	984	853	1,024
July 10 ..	1,155	1,313	1,061	941
17	1,037	1,242	1,100	1,159
24	1,306	1,326	1,055	1,181
31	1,267	1,476	1,027	1,265
Aug. 7 ..	1,343	1,443	1,051	1,342
14	1,214	1,454	1,157	1,344
21	1,127	1,377	1,057	1,332
28	1,116	1,482	1,169	1,401
Sept. 4 ..	1,107	1,347	996	1,350
11	1,303	1,628	1,267	1,227
18	1,467	1,622	1,258	1,575
25	1,469	1,600	1,198	1,504
Oct. 2 ...	1,451	1,585	1,188	1,595
Oct. 9 ...	1,529	1,602	1,159	
16	1,439	1,541	1,193	
23	1,309	1,491	1,163	
30	1,518	1,475	1,194	
Nov. 6 ..	1,519	1,583	1,275	
13	1,561	1,574	1,336	
20	1,243	1,594	1,376	
27	1,584	1,305	1,069	
Dec. 4 ...	1,576	1,654	1,372	
11	1,426	1,574	1,237	
18	1,509	1,492	1,219	
25	1,088	1,015	949	
Jan. 1 ...	1,203	1,014	970	

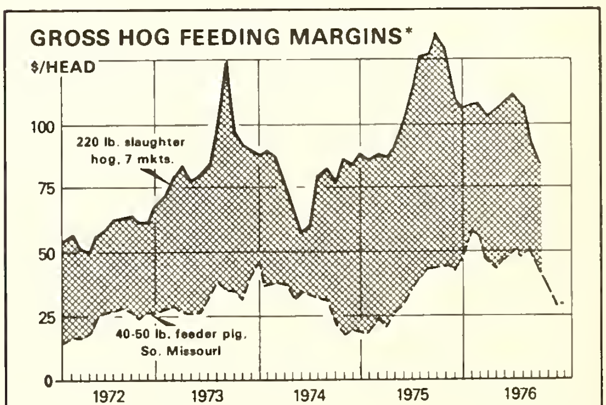
[1] Corresponding dates: 1973, January 13; 1974, January 12; 1975, January 11.

Gross hog feeding margins per head[1]

Year	Hogs 7 markets	Feeder pigs So. Missouri	Margins
	$ per head	*$ per head*	*$ per head*
1974			
January	89.30	36.75	52.55
February	87.41	38.25	49.16
March	76.74	37.10	39.64
April	67.14	32.33	34.81
May	57.40	34.70	22.70
June	60.28	33.25	27.03
July	79.88	32.50	47.38
August	82.87	32.18	50.69
September	78.74	22.10	56.64
October	85.58	17.31	68.27
November	84.35	20.31	64.04
December	87.85	19.44	68.41
1975			
January	85.65	18.75	66.90
February	87.14	24.10	63.04
March	86.94	21.13	65.81
April	89.52	25.75	63.77
May	102.17	30.10	72.07
June	112.62	35.75	76.87
July	125.77	39.75	86.02
August	127.82	43.05	84.77
September	134.71	44.00	90.71
October	128.74	44.65	84.09
November	109.43	44.10	65.33
December	106.33	46.75	59.58
1976			
January	106.48	59.81	46.67
February	107.47	56.55	50.92
March	102.76	48.94	53.82
April	105.36	44.19	61.17
May	107.56	48.38	59.18
June	111.76	50.16	61.60
July	106.17	48.80	57.37
August	96.80	51.28	45.52
September	86.66	44.57	42.09
October			
November			
December			

[1] Current 220 lb. Slaughter Hog compared with a 40-50 lb. Feeder Pig purchased 4 months earlier.





* CURRENT SLAUGHTER HOG PRICE PER HOG COMPARED WITH FEEDER PIG PRICE PER HEAD 4 MONTHS EARLIER

larger slaughter in prospect for the fall quarter will boost the annual total about 4 to 5 percent above the restricted 1975 slaughter supply.

Slaughter Market Sensitive to Supply Changes

Hog prices varied little during the first six months of this year. A range of $4 per 100 pounds captured most price swings. However, prices were under considerable pressure during the late summer as pork supplies increased both seasonally and cyclically. Barrow and gilt prices at Omaha slipped from a seasonal peak of $52 in July to $36 per hundredweight during late September. Expectations of sharply lower hog prices late in the summer quarter apparently led some producers to market slaughter stock ahead of schedule. Hog slaughter during August jumped more than 20 percent over July and 25 percent over a year ago. Some moderation of the increase in slaughter was observed during September when the federally inspected total gained about 6 percent over the previous month. This accelerated marketing pattern further fueled slaughter price declines.

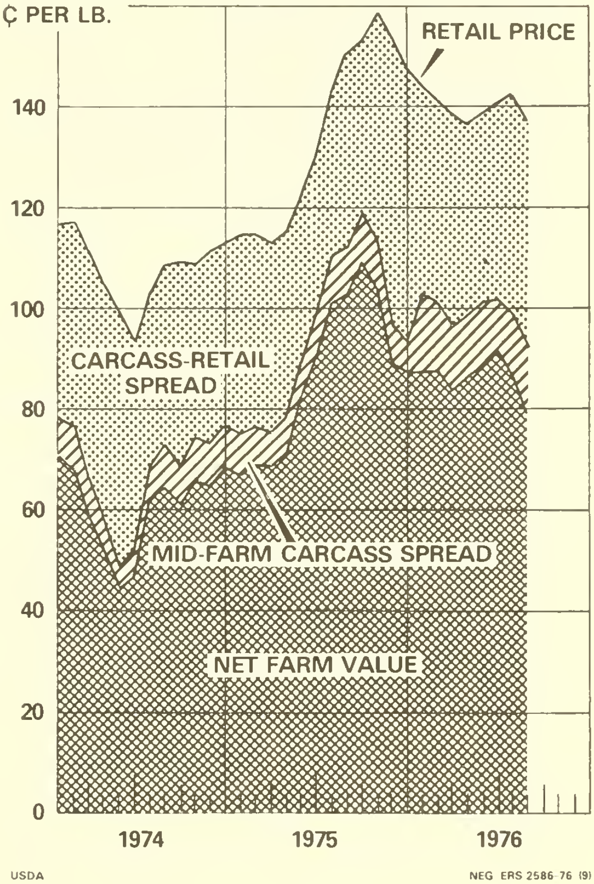
Hog prices per 100 pounds, 7 markets[1]

Month	Barrows and gilts			Sows		
	1974	1975	1976	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	40.59	38.93	48.40	33.93	35.01	40.48
Feb.	39.73	39.61	48.85	34.21	36.52	44.03
Mar.	34.88	39.52	46.71	31.42	36.58	42.24
Apr.	30.52	40.69	47.89	26.60	37.00	42.88
May	26.09	46.44	48.89	21.52	41.12	43.20
June	27.40	51.19	50.80	21.37	44.28	43.21
July	36.31	57.17	48.26	28.12	49.74	40.83
Aug.	37.67	58.10	44.00	29.76	51.89	37.98
Sept.	35.79	61.23	39.39	29.04	54.56	33.81
Oct.	38.90	58.52		33.42	51.94	
Nov.	38.34	49.74		33.57	42.25	
Dec.	39.93	48.33		33.78	38.50	
Av.	35.12	48.32		29.92		

[1] Average for all weights at Midwest markets.

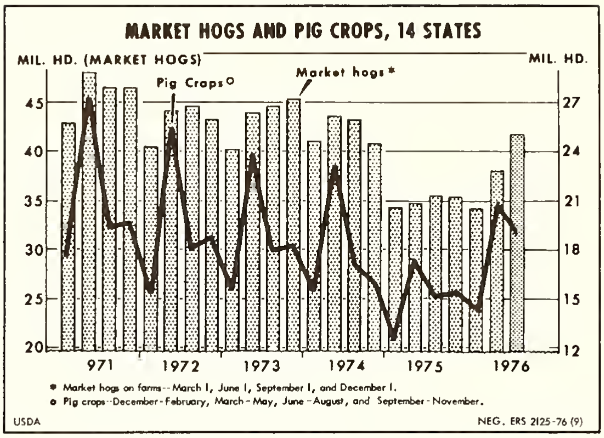
Contributing to the hog producers' marketing problems was a widening of the farm-to-retail price spread. While the farm value of hogs marketed during July-September fell about a tenth from the spring quarter, retail price reductions for pork reflected less than 10 percent of this drop. Packers, trying to reverse earlier losses, pushed their gross marketing spread to about 14 cents per retail pound, up from a recent low of 12 cents during the spring and largely unchanged from the summer of 1975. The carcass-retail price spread was increased about 50 percent from the year-earlier level and 17 percent above the average for the spring quarter.

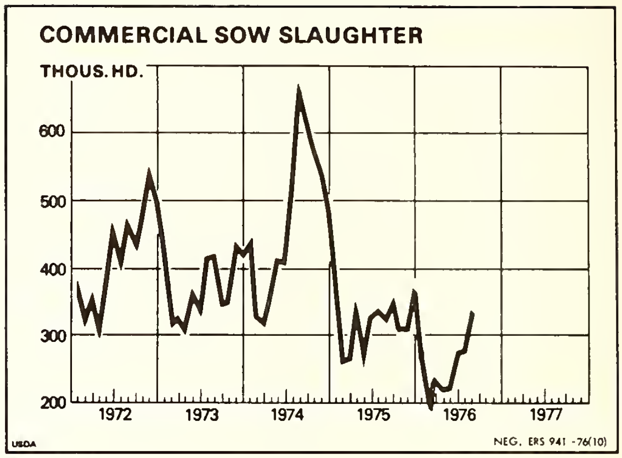
PRICE SPREADS FOR PORK

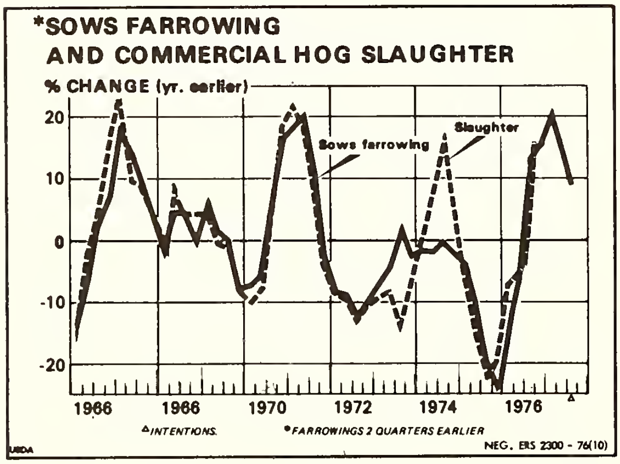


Retail movement of the larger pork supplies this summer with little price reduction suggests a strong demand for pork. While the supply outlook for pork and other meats suggests some downward pressure on retail prices this fall, seasonal strength in demand may partially offset the price impact of larger production. Also, a portion of October-December production will likely be diverted to storage. Total cold storage holdings of pork on September 1 were 10 percent below the year-earlier level and marked a ten-year low for that month. A buildup in stocks during the fall quarter would represent a typical seasonal pattern. These factors should hold retail pork prices this fall near the late September level of $1.33 per pound.

Slaughter prices during October-December may slip $7 to $9 per hundredweight below the summer average of $44. Implied is a continued widening of the farm-to-retail marketing spread. Processing and marketing charges accounted for

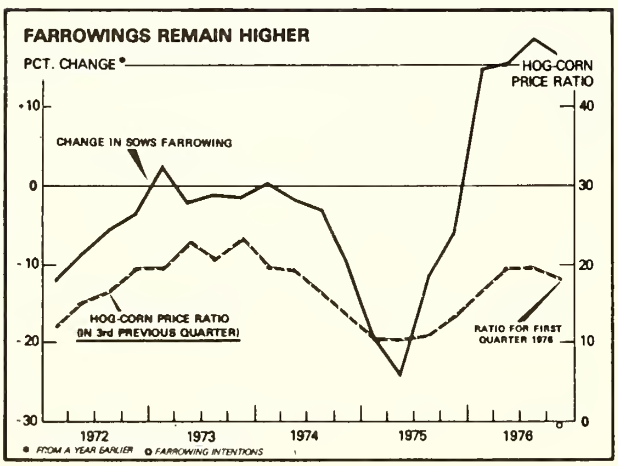


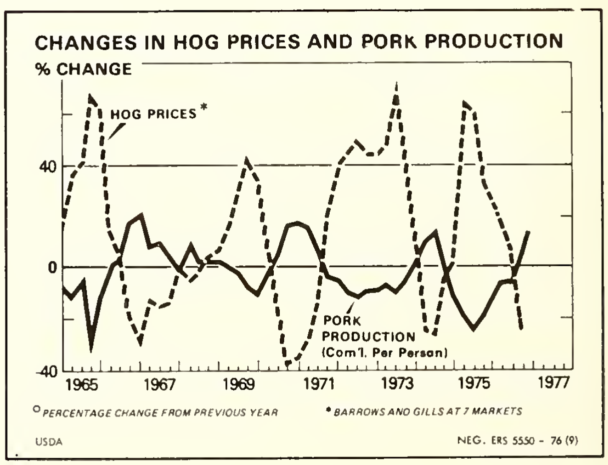




Hog-corn price ratio, Omaha basis

Month	1972	1973	1974	1975	1976
January	19.7	21.5	14.8	12.6	18.6
February ...	20.6	23.3	13.4	14.1	18.6
March	19.0	25.4	12.5	14.3	17.7
April	18.2	23.4	12.1	14.1	18.3
May	19.7	19.5	10.2	16.4	17.7
June	21.5	16.9	10.0	17.9	17.6
July	22.8	19.9	11.2	19.4	16.8
August	23.5	20.8	10.5	18.6	16.2
September ..	22.6	18.4	10.3	20.7	15.1
October	21.8	17.8	10.6	21.2	
November ..	20.6	16.9	11.0	19.4	
December ..	20.5	15.7	11.8	18.5	
Average ...	20.6	19.3	11.3	16.9	





more than 40 percent of the retail value of pork produced during the summer quarter. These charges may account for more than 50 percent of the retail value this fall.

More Pork in 1977 Assured

High feed costs and lower hog prices apparently tempered producers' plans for continued expansion in September-November farrowings. Pigs farrowed during June-August in the 14 States numbered 21 percent more than a year earlier. June 1 farrowing intentions called for a 16-percent increase. Most decisions affecting farrowings during the fall quarter were made during the months of May through July. Hog operations were generally profitable during this period. However, advancing corn and soybean meal prices, along with lower trending hog prices, spelled financial problems in the months ahead. By August, hog finishing operations were generally in a loss position. September-November farrowing intentions were revised downward from June 1 plans. Still, given the farrowing levels indicated, commercial hog slaughter through the first half of 1977 will be up significantly from the previous year.

Slaughter during the winter quarter could approach 21 million head. The 14-State inventory of market hogs weighing under 60 pounds on September 1 was 18 percent larger. This percentage change would approximate that anticipated for slaughter. A seasonally reduced slaughter level is expected during the spring. Both quarterly totals, however, will likely be larger than during October-December of this year. The first half aggregate number may exceed January-June 1976 slaughter by 17 to 19 percent.

While total red meat supplies through mid-1977 will be down from the last half of this year, they should be up slightly from a year earlier. Increased first half pork production is expected to more than offset reductions in beef, veal, and lamb and mutton production. Broiler output also is expected to be above 1976 levels. Large total red meat and poultry supplies will keep pressure on hog prices. Barrows and gilts at seven markets may move at a price in the mid-$30's this winter, but seasonal reductions in hog slaughter could push prices into the upper $30's during the spring.

Prospects for Second Half Less Certain

The first indication of potential farrowings for December-February 1977 points to a 9-percent increase over 1976. Breeding decisions for the winter quarter are largely confined to the months of August through October, thus potential slaughter levels through the third quarter of next year are essentially determined. Lower hog prices in August may have resulted in losses to Corn Belt hog feeders approaching $10 to $12 per head. August sow slaughter under Federal inspection was up about 20 percent over July and gained 6 percent over the previous year's total. With the September crop report showing another reduction in projected corn yields, some of the enthusiasm among producers to expand their operations may have waned. The September response may now represent an upper limit for actual farrowings.

The feed grain and hog price relationships which develop over the next 2 to 3 months will determine the number of sows to farrow in the March-May 1977 period. Of particular interest will be the seasonal price pattern which develops for this year's corn crop. If corn prices run contra-seasonal with little price weakness through harvest, further expansion in hog numbers will likely be limited. Corn prices this fall may be high enough to encourage some hog producers who produce their own corn to choose the cash grain market rather than incurring the risk associated with an expanded hog feeding operation. Prices for soybean meal are expected to follow the historical pattern of most short crop years with prices strong during the soybean harvest. These factors would argue against any substantial year-to-year increase in the number of pigs farrowed during March-May. Current estimates for the first half of 1977 point to an increase in the pig crop of 5 to 7 percent. A similar increase in second half hog slaughter could push the 1977 annual total to around 80 million head, up 12 to 14 percent from 1976.

Slaughter during the second half of 1977 could be down slightly from the first half. A seasonal low in slaughter during the summer quarter could hold hog prices near $40. Although the increase in slaughter from the summer to the fall quarter would likely be smaller than in recent years, hog prices would be expected to slip back into the mid-$30's for the October-December average.

Lower Feeder Pig Prices Expected

Negative feeding margins during August and September failed to dampen demand for feeder pigs. Forty- to 50-pound pigs at southern Missouri markets returned a price in the low $30 range during much of the summer quarter. In late September, however, a downward trend was evident as price quotations dropped about $8 per head. With the prospects for continued high feed costs and seasonally lower hog prices, the potential for price increases for the balance of this year is very limited. For the balance of 1976 prices will likely hold in the low- to mid-$20 range. The

Table 2—Corn Belt Hog Feeding[1]

Selected costs at current rates[2]

Purchased during / Marketed during	June / Oct.	July / Nov.	Aug. / Dec.	Sept. / Jan. 76	Oct. / Feb.	Nov. / Mar.	Dec. / Apr.	Jan. 76 / May	Feb. / June	Mar. / July	Apr. / Aug.	May / Sept.	June / Oct.	July / Nov.	Aug. / Dec.	Sept. / Jan. 77
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
40 lb. feeder pig	44.65	44.10	46.75	59.81	56.55	48.94	44.19	48.38	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.68
Corn (11 bu.)	29.48	29.92	32.56	30.36	28.16	25.52	25.74	26.62	27.28	27.50	27.06	29.04	30.25	31.13	28.82	28.82
Protein supplement (130 lb.)	13.00	13.06	13.72	13.91	13.78	13.13	13.39	13.52	13.58	13.65	13.65	14.30	17.16	18.07	16.51	17.42
Labor & management (1.3 hrs.)	5.46	5.69	5.69	5.69	6.37	6.37	6.37	6.37	6.66	6.66	6.66	6.71	6.71	6.71	6.21	6.21
Vet medicine[3]	1.50	1.51	1.51	1.53	1.53	1.53	1.53	1.53	1.54	1.55	1.55	1.55	1.57	1,58	1.57	1.57
Interest on purchase (4 mo.)	1.49	1.47	1.48	1.86	1.79	1.47	1.33	1.45	1.50	1.46	1.54	1.34	1.17	.91	.93	.83
Power, equip, fuel, shelter, depreciation[3]	3.64	3.66	3.68	3.72	3.71	3.71	3.73	3.72	3.74	3.76	3.78	3.78	3.82	3.83	3.82	3.81
Death loss (4% of purchase)	1.79	1.76	1.87	2.39	2.26	1.96	1.77	1.94	2.01	1.95	2.05	1.78	1.55	1.22	1.24	1.11
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs[3]	.37	.38	.38	.38	.38	.38	.38	.38	.38	.38	.39	.39	.39	.39	.39	.39
Total	103.00	103.17	109.26	121.27	116.15	104.63	100.05	105.53	108.47	107.33	109.58	105.08	103.09	95.91	92.13	89.46
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	39.60	39.58	42.29	47.31	44.77	39.81	37.87	40.24	41.37	40.89	41.81	39.96	39.21	36.20	34.70	33.60
Selling price/cwt. required to cover all costs (220 lb.)	46.82	46.90	49.66	55.12	52.80	47.56	45.48	47.97	49.30	48.79	49.81	47.76	46.86	43.60	41.88	40.66
Feed cost per 100 lb. gain	23.60	23.88	25.71	24.59	23.30	21.47	21.74	22.30	22.70	22.86	22.62	24.08	26.34	27.33	25.18	25.69
Barrows and gilts 7 markets/cwt.	58.52	49.74	48.33	48.40	48.85	46.71	47.89	48.89	50.80	48.26	44.00	39.39				
Net margin/cwt.	+11.70	+2.84	-1.33	-6.72	-3.95	-.85	+2.41	+.92	+1.50	-.53	-5.81	-8.37				
Prices:																
40 lb. feeder pig (So. Missouri)	44.65	44.10	46.75	59.81	56.55	48.94	44.19	48.38	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.68
Corn[4]/(bu.)	2.68	2.72	2.96	2.76	2.56	2.32	2.34	2.42	2.48	2.50	2.46	2.64	2.75	2.83	2.62	2.62
38-42% protein supp.[5]/cwt.	10.00	10.05	10.55	10.70	10.60	10.10	10.30	10.40	10.45	10.50	10.50	11.00	13.20	13.90	12.70	13.40
Labor and management[6]/hr.	4.20	4.38	4.38	4.38	4.90	4.90	4.90	4.90	5.12	5.12	5.12	5.16	5.16	5.16	4.78	4.78
Interest rate (annual)	10.00	10.00	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 miles)[7]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	632	636	639	645	644	644	647	645	649	652	656	656	663	665	663	662

[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. [2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Average prices paid by farmers in Iowa and Illinois. [6] Assumes an owner-operator receiving twice the farm labor rate. [7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

following table provides an estimate of maximum feeder pig prices which would allow hog feeders to breakeven given various price levels for corn and market hogs.

Maximum feeder pig prices with given various levels of corn and market hog prices[1]

Corn (Farm price)	Market hogs, $ per 100 cwt.					
	30	35	40	45	50	55
$bu.	*Feeder pigs, $ per hd.*					
1.75	14	25	36	47	58	69
2.00	11	22	33	44	55	66
2.25	8	19	30	41	52	63
2.50	6	17	28	39	50	61
2.75	3	14	25	36	47	58
3.00	—	11	22	33	44	55
3.25	—	8	19	30	41	52
3.50	—	6	17	28	39	50

[1] Assuming protein and other costs at September 1976 levels. (See hog feeding table).

The Hog Cycle to Turn in 1977

Year-to-year inventory changes in the hog industry follow a cyclical pattern. The magnitude and direction of the inventory adjustments are tied closely to profits. During periods of profitable operations gilts are withheld for breeding. Initial increases in slaughter marketings lag the economic incentive to expand by about a year. However, once an upturn in the production cycle begins, increases in marketings continue beyond that point where the higher production pushes prices received below cost. In a typical cycle the expansion phase may extend about two years. The beginning of a period of sustained losses is typically followed by a low point in marketings two years hence. Production cycles which began in 1966 and in 1970 followed this basic pattern. An abbreviated cycle was observed during 1974 and 1975.

How quickly producers respond to changing economic conditions is largely determined by industry structure. In the short run producers must cover only variable costs to continue their operation. Over the longer term, however, total costs must be recovered. For production derived primarily from facilities which represent a large fixed investment, variable cost is low in relation to total cost. Essentially all costs vary with the decision to produce when the fixed investment is minimal. Given the assumption of high variable costs, changes in profitability would spur a faster production response. The opposite assumption regarding cost structure would suggest that producers adjust output levels over a longer period of time as a lower return would be required to meet variable expenses.

Hog producers have responded quickly to changing market conditions. This is evidenced by the abrupt termination of the expansion phase of the cycle which began in 1974. Also, the initial increase in the number of sows farrowing during December-February 1976 exceeded expectations with a 16-percent increase which followed an 8-percent reduction the previous quarter. The September Hogs and Pigs report suggests a rapid adjustment in farrowing plans following the deterioration of the grain crop this summer. This behavior implies an industry with relatively high variable costs. While a trend toward longer production units is underway, entry costs for the industry have not become prohibitive. By the same token, those producers who entered the industry with only a small investment will be squeezed out much sooner.

What are the implications for the current hog cycle? Farrowing intentions as of September 1 continued above the previous year's actual farrowings through the winter quarter of 1977. Pigs farrowed during the spring quarter will likely show a moderate increase over 1976. However, farrowings during the second half of 1977 are expected to dip below the year-earlier level.

CATTLE

Prospects for some improvement in cattle prices by fall faded as slaughter held above both year-earlier and spring levels throughout the summer. Drought persisted in several spots throughout the country, reducing cattlemen's hopes for lower grain prices. Some of the forage to carry cattle through the winter had to be used this summer, and hay prices have risen to a very high level. With the movement of cattle off grass at a seasonal peak little if any improvement in fed cattle prices is expected until late in the fall. Even then, cattle feeders will miss covering feed and feeder costs by several dollars.

This points to some continuation of heavy slaughter rates into next year, with a further reduction in cattle numbers taking place throughout 1977. However, the inventory reduction is not expected to approach this year's anticipated downturn of 6-8 million head. Next year should see an improvement in prices, some positive returns to feeding, and fed cattle comprising over 60 percent of slaughter throughout the year.

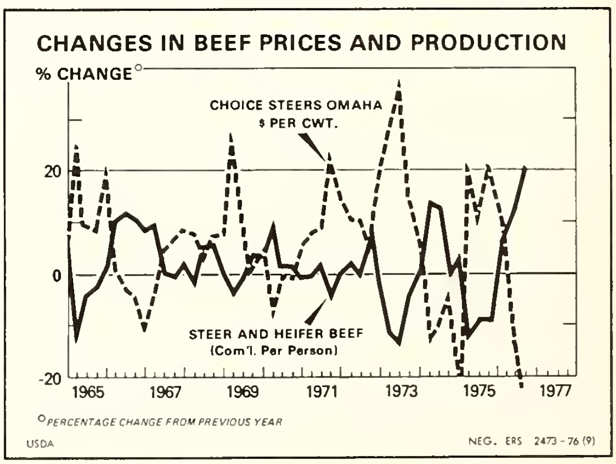
Table 3—Beef supplies and prices

	Commercial cattle slaughter[1]						Average dressed weight	Com-mercial produc-tion	Per capita con-sump-tion[2]	Prices			
	Steers and heifers			Cows	Bulls and stags	Total				Retail	Choice feeders 600-700 lb. Kansas City	Choice steers Omaha 900-1100 lb.	Farm
	Fed	Non-fed	Total										
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cent/ lb.*	*$/cwt.*	*$/cwt.*	*$/cwt.*
1971: I	6,380	572	6,952	1,500	135	8,587	619	5,300	27.7	100.2	33.57	31.06	27.93
II	6,480	687	7,167	1,586	164	8,917	612	5,445	28.1	104.8	34.50	32.54	29.17
III	6,820	666	7,486	1,614	179	9,279	602	5,574	29.3	105.4	34.84	32.71	29.00
IV	6,380	592	6,972	1,675	155	8,802	613	5,378	27.9	106.6	36.57	33.27	29.83
Year	26,060	2,517	28,577	6,375	633	35,585	611	21,697	113.0	104.2	34.87	32.39	29.00
1972: I	6,630	402	7,032	1,518	148	8,698	619	5,370	28.2	114.4	38.47	35.71	32.40
II	6,930	452	7,382	1,474	166	9,022	619	5,566	28.9	112.3	40.30	36.04	33.33
III	7,140	223	7,363	1,472	180	9,015	618	5,559	29.4	115.3	42.46	36.26	34.07
IV	6,970	395	7,365	1,528	151	9,044	635	5,723	29.6	113.2	44.36	35.12	34.07
Year	27,670	1,472	29,142	5,992	645	35,779	623	22,218	116.1	113.8	41.40	35.78	33.50
1973: I	6,770	146	6,916	1,590	156	8,662	624	5,393	28.0	129.2	50.77	43.28	40.80
II	6,470	86	6,556	1,434	165	8,155	621	5,049	26.2	135.8	53.74	45.84	43.43
III	6,080	204	6,284	1,533	180	7,997	625	4,998	26.8	141.8	57.98	48.57	47.67
IV	6,570	437	7,007	1,691	175	8,873	638	5,648	28.6	135.1	50.20	40.47	40.00
Year	25,890	873	26,763	6,248	676	33,687	626	21,088	109.6	135.5	53.17	44.54	42.80
1974: I	6,100	560	6,660	1,689	165	8,514	638	5,434	28.3	145.1	47.78	45.46	42.83
II	6,430	817	7,247	1,391	179	8,817	639	5,638	28.8	134.5	39.80	40.01	36.37
III	5,680	1,526	7,206	1,913	244	9,363	614	5,751	29.4	141.0	34.64	43.91	34.97
IV	5,670	1,695	7,365	2,521	232	10,118	595	6,021	30.3	134.5	29.31	38.19	28.83
Year	23,880	4,598	28,478	7,514	820	36,812	621	22,844	116.8	138.8	37.88	41.89	35.60
1975: I	5,690	1,611	7,301	2,224	208	9,733	600	5,842	30.3	129.6	27.39	35.72	27.33
II	5,200	1,658	6,858	2,419	273	9,550	586	5,593	28.4	146.5	34.67	48.03	34.57
III ...	5,190	1,913	7,103	3,124	312	10,539	564	5,942	30.2	156.4	35.54	48.64	33.83
IV	5,120	1,875	6,995	3,790	304	11,089	568	6,296	31.2	151.4	38.06	46.05	33.07
Year	21,200	7,057	28,257	11,557	1,097	40,911	579	23,673	120.1	146.0	33.91	44.61	32.30
1976: I	6,560	1,367	7,927	2,749	236	10,912	595	6,491	32.7	142.1	39.19	38.71	33.77
II	6,150	1,431	7,581	2,329	258	10,168	604	6,143	31.2	141.5	43.89	41.42	37.03
III[3] ...	6,400	1,600	8,000	2,600	270	10,870	605	6,580	32.9	136.5	38.10	37.30	32.90
IV													
Year													

[1] Classes estimated. [2] Total including Farm Production, farm production estimated for 1976. [3] Estimate.

Recent Developments in Beef Supplies and Prices

Federally inspected cattle slaughter has exceeded 740,000 head per week since early August (Labor Day excluded). The 824,000 head slaughtered under Federal inspection during the week ending September 18 was the highest since January's near record. While final figures for the third quarter commercial slaughter are not yet available, data for federally inspected slaughter indicate it likely was about 10.8 million head. This represents a slight increase from both year-earlier and previous quarter levels. Fed cattle made up a much higher proportion of the kill—nearly 60 percent compared with about 50 percent for the third quarter of 1975. Fed slaughter was up 22-24 percent over the year-earlier level. Average carcass weights ran about 600 pounds compared with 565 last summer. Nonfed slaughter, while up seasonally, is running 18-20 percent below a year ago.



More fed cattle along with the seasonal movement of cattle off grass probably raised third quarter beef production over 6.5 billion pounds—a 11-percent increase and a new record high.

Domestic production and imports pushed per capita beef consumption to nearly 33 pounds for the summer. This is about a 3-pound increase from last summer, up almost 2 pounds from the spring, and exceeds the record level of the winter quarter. Retail prices averaged $1.36 per pound, about 20 cents per pound below a year earlier. This price reduction was less than might have been expected with the increase in supply. However, consumers spent only 2.4 percent of their disposable income on beef this spring and summer compared with 2.6 percent a year ago. This is significant since it is the first time in recent years that the share of income spent for beef fell below year-earlier levels for an extended period.

Choice steer prices (Omaha) averaged $37.30 during the summer, $10-$11 below a year earlier. While byproduct credits were near year-earlier levels, the farm-to-retail price spread this summer was up 10 percent from a year ago.

Feeder steer prices, while disappointing to beef cow owners, did not decline as much as Choice steer prices in spite of some forced movements of cattle out of drought areas. Feedlot placements in the seven major feeding States ran 10 percent over a year ago in August. The data from these States for July and August tend to confirm earlier expectations of third quarter placements in the 23 States—about 5.7 million head, unchanged from year-earlier levels. The October 1 Cattle on Feed Report to be issued October 19 will report third quarter placements. Even though cattle feeders have suffered substantial losses throughout 1976, feeder steer prices held above $37 through mid-September (Choice 600-700 pounds, Kansas City). Packers could not compete for these animals at this price level. With the recent decline in feeder prices to the low $30's, more of these animals could go to slaughter although they will also become more attractive to feeders at this level.

Prospects to Mid-1977

Lower than expected feed grain availability, as signaled by the September crop report, coupled with sustained cattle feeding losses will hold feedlot placements this fall below earlier expectations. Fourth quarter placements may run slightly below last year's 8.3 million head, reflecting the pessimism of feeders who have sustained sizable losses. If some price improvement occurs in the fed cattle market during the winter and spring as currently expected, placements in the first half of 1977 likely will exceed this year's 11 million head by 4-6 percent. Slaughter of fed cattle in the fourth quarter will probably run slightly below this summer's level, reflecting the seasonally level placements this spring and very heavy marketing in late summer.

Feeders who have considerable roughage to utilize, especially near drought-stricken areas, are turning toward lighter-weight yearlings and calves. The longer feeding period required for these animals, along with a slowdown in placements this fall, could reduce fed cattle slaughter slightly during the first half of 1977—especially in the first quarter.

Feeder steer prices consistent with Breakeven, given corn and fed steer prices[1]

Corn (Farm price)	Choice steers, $/cwt.					
	30	35	40	45	50	55
$/bu.	*Feeder steers, $/cwt.*					
1.75	16	24	34	43	51	60
2.00	14	23	32	41	50	58
2.25	12	21	30	39	48	56
2.50	11	20	28	37	46	54
2.75	9	18	26	35	44	53
3.00	7	16	24	33	42	51
3.25	5	14	22	31	40	49
3.50	3	12	21	29	38	47

[1] Assuming all other costs at September 1976 levels. (See corn belt cattle feeding table).

If placements are reduced slightly this fall, nonfed steer and heifer slaughter will likely run higher than anticipated early next year. Lack of winter forage in dry areas will prohibit carrying these cattle until next spring, but slaughter of cows and other grass cattle is expected to fall considerably below 1976. The current reduction below year-earlier levels should hold throughout 1977, unless drought conditions become more widespread next year.

On balance, commercial cattle slaughter is expected to run slightly below year-earlier levels, both this fall and through the first half of next year. The greatest decline, perhaps 5-6 percent, may come in the winter quarter since fed cattle slaughter was quite large last winter.

Fed cattle will make up less than 60 percent of the kill this fall; however, fed slaughter is expected to run over 60 percent after January 1 as in early 1976. While beef production will slightly exceed year-earlier levels this fall, it will drop slightly from this summer's supply. And, although fed cattle will make up more of the kill this coming winter and spring, the reduction in total slaughter will be enough to reduce beef production 4-6 percent from year-earlier levels. Feeding to lighter weights will also temper this supply.

Gross cattle feeding margins per steer

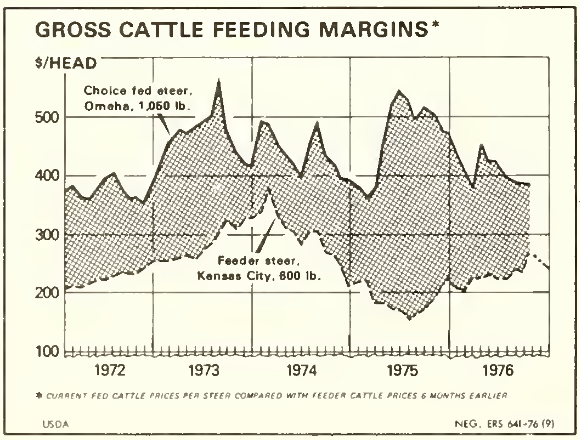
Year	Fed cattle[1]	Feeder cattle[2]	Gross margin
	Dollars per steer	*Dollars per steer*	*Dollars per steer*
1974			
January	495	339	156
February	487	374	113
March	450	330	120
April	436	311	125
May	425	306	119
June	399	286	113
July	459	303	156
August	490	305	185
September	434	269	165
October	416	265	151
November	396	241	155
December	391	211	180
1975			
January	382	220	162
February	365	220	145
March	379	183	196
April	449	186	263
May	520	172	348
June	544	170	374
July	527	159	368
August	491	162	329
September	514	172	342
October	503	190	313
November	475	213	262
, December	473	221	252
1976			
January	432	208	224
February	407	206	201
March	379	226	153
April	453	229	224
May	427	230	197
June	425	227	198
July	398	225	173
August	389	243	146
September	388	238	150
October			
November			
December			

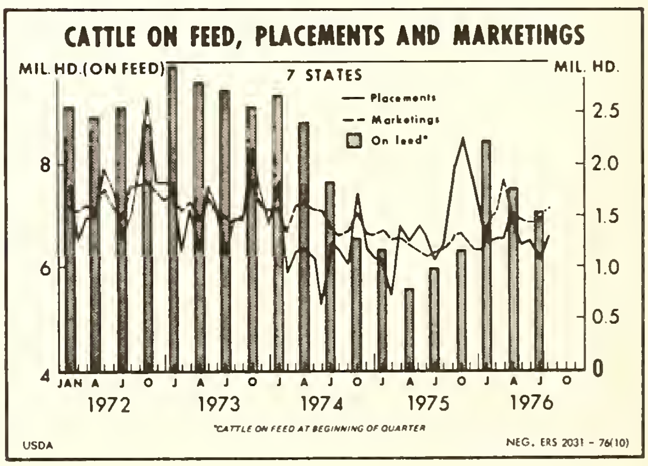
[1] Current choice steer, Omaha, 1,050 lb. [2] Choice 600 lb. steer, K.C. 6 mo. earlier.

7 States Cattle on Feed, Placements and Marketings

Year	On feed	Change, previous year[1]	*Placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1973						
Jan.	9,884	+8.5	1,830	+2.5	1,721	+7.4
Feb.	9,993	+7.5	1,183	-6.7	1,541	+0
Mar.	9,635	+6.8	1,563	+5.3	1,623	+3.2
Apr.	9,575	+7.2	1,186	-20.5	1,440	-6.9
May	9,321	+5.0	1,785	-8.6	1,688	-4.0
June	9,418	+3.8	1,596	-7.3	1,557	-7.3
July	9,457	+3.7	1,133	-11.3	1,498	+1.2
Aug.	9,092	+2.0	1,469	-5.2	1,410	-20.9
Sept.	9,151	+5.4	1,446	-23.6	1,490	-16.9
Oct.	9,107	+3.7	2,133	-19.1	1,773	-3.6
Nov.	9,467	-1.2	1,647	-10.1	1,639	-5.5
Dec.	9,475	-2.1	1,411	-23.1	1,533	-5.8
1974*						
Jan.	9,353	-5.4	1,837	+0.4	1,558	-9.5
Feb.	9,632	-3.6	956	-19.2	1,340	-13.0
Mar.	9,248	-4.0	1,132	-27.8	1,577	-2.8
Apr.	8,803	-8.1	1,177	-0.8	1,629	+13.1
May	8,351	-10.4	1,085	-39.2	1,551	-8.1
June	7,885	-16.3	801	-49.8	1,540	-1.1
July	7,146	-24.4	1,218	+7.5	1,357	-9.4
Aug.	7,007	-22.9	1,149	-21.8	1,301	-7.7
Sept.	6,855	-25.1	1,041	-28.0	1,324	-11.1
Oct.	6,572	-27.8	1,741	-18.4	1,517	-14.4
Nov.	6,796	-28.2	1,168	-29.1	1,338	-18.4
Dec.	6,626	-30.1	1,091	-22.7	1,348	-12.1
1975*						
Jan.	6,369	-31.9	1,053	-42.7	1,372	-11.9
Feb.	6,050	-37.2	747	-21.9	1,316	-1.8
Mar.	5,481	-40.7	1,448	+27.9	1,331	-15.6
Apr.	5,598	-36.4	1,266	+7.6	1,275	-21.7
May	5,589	-33.1	1,424	+31.2	1,172	-24.4
June	5,841	-25.9	1,313	+63.9	1,148	-25.5
July	6,006	-16.0	1,090	-10.5	1,164	-14.2
Aug.	5,932	-15.3	1,230	+7.0	1,213	-6.8
Sept.	5,949	-13.2	2,005	+92.6	1,298	-2.0
Oct.	6,656	+1.3	2,228	+28.0	1,307	-13.8
Nov.	7,577	+11.5	1,864	+59.6	1,189	-11.1
Dec.	8,252	+24.5	1,483	+35.9	1,202	-10.8
1976*						
,Jan.	8,533	+34.0	1,282	+21.7	1,462	+6.6
Feb.	8,353	+38.1	1,281	+71.4	1,517	+15.3
Mar.	8,117	+48.1	1,265	-12.6	1,857	+39.5
Apr.	7,525	+34.4	1,496	+18.2	1,502	+17.8
May	7,519	+34.5	1,224	-14.0	1,489	+27.0
June	7,254	+24.2	1,277	-2.7	1,457	+26.9
July	7,074	+17.8	1,092	+0.2	1,500	+28.9
Aug.	6,666	+12.4	1,352	+9.9	1,586	+30.8
Sept.	6,432	+8.1				

*Other disappearance subtracted to make comparable with previous year.

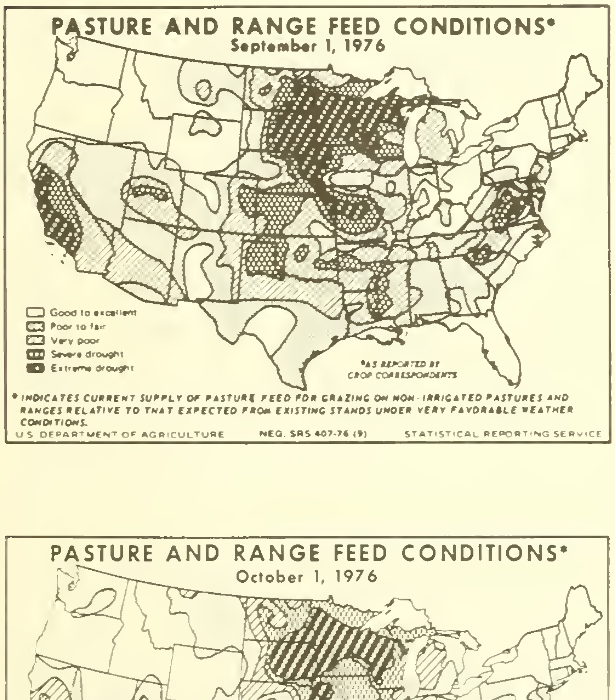


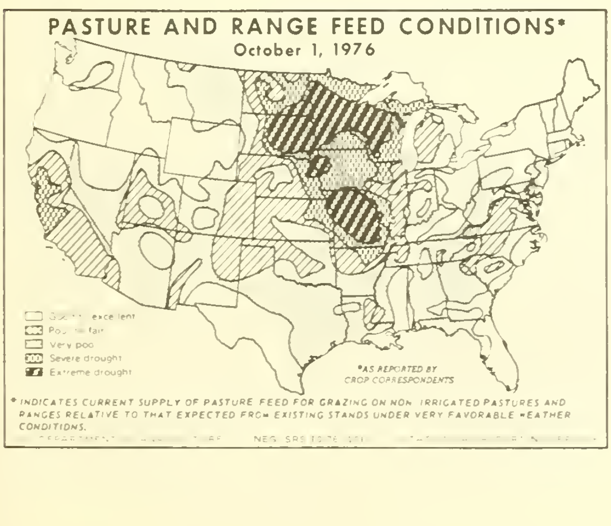


Consumer incomes are expected to maintain their current rate of increase. While meat expenditures as a percent of disposable income have been off slightly from year-earlier levels, absolute expenditures for meat probably will hold near 1976 levels.

All told, per capita beef consumption likely will run 31-32 pounds in both fall and winter quarters then drop about 2 pounds in the spring. This would equal year-earlier levels this fall, but would be down slightly after the first of the year. It points to limited price strength for slaughter cattle by winter with a moderate gain into the low $40's during the winter. Further strength is expected by midyear. If these prices are realized, feeders may recover most costs by spring—at least feed and feeder costs.

Feeder cattle and cow prices will be depressed until the peak marketing season is over this fall. Then any strength in the fed market should be reflected for these kinds of cattle.





Calf Slaughter May Decline

Commercial calf slaughter through August totaled 3,420 million head—up 9 percent from 1975's kill. But, since June, it has only equalled its year-earlier level. Fourth quarter calf slaughter last year was up 50 percent from October-December 1974. Feeder versus slaughter calf prices likely will determine the magnitude of calf slaughter this fall. While packers will compete with cattle feeders if prices are low, calves should be more attractive for feeding if prices remain low. On balance, veal production this fall will probably be somewhat above the 1974 level but substantially below the large calf kill of the fourth quarter in 1975. If so, calf slaughter for the year would be about the same as a year ago.

Cattle and calves weighing under 500 pounds were down 8 percent in the July 1 inventory. Increased placements of lighter cattle or a calf crop near last year's number will limit the supply of calves next year. If expected cattle prices are realized, calf slaughter could fall substantially in 1977.

Cattle Cycle Not Expected To Turn in 1977

A turnaround in cattle numbers does not appear likely next year, but the sell off is expected to proceed at a slower rate. Total cattle and calf slaughter, including farm slaughter, will reach 48-49 million head this year.

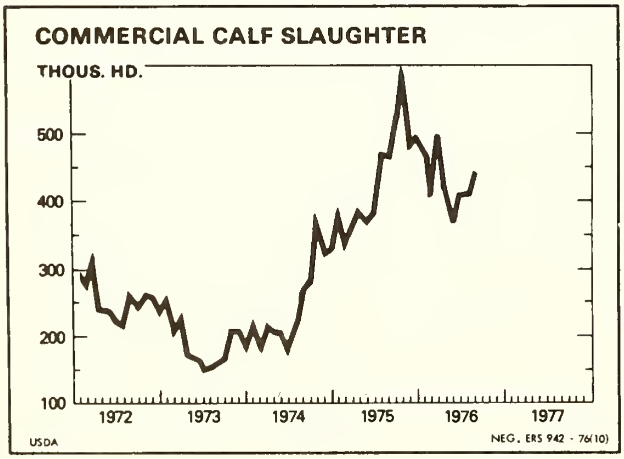
The projection of this year's slaughter points to a 6-8 million-head reduction in total cattle numbers for the forthcoming January 1—about 120-122 million cattle and calves compared with 128 million on January 1, 1976. Almost 11 million head have been liquidated since the cycle peaked January 1, 1975.

Beef and dairy cows totaled 54.8 million head in last January's inventory. Since cow slaughter has continued to outpace heifer replacements, the upcoming inventory will contain about 51-52 million cows. Due to a variety of unfavorable conditions, the 1976 calf crop of 46.9 million head was equal to only 85 percent of the cow inventory. This is a substantial drop from long term averages. If the 1977 calf crop is dropped under more average conditions, it should run 46-47 million head. Cattle and calf slaughter in 1977 would have to total under 41 million head to stabilize the inventory. If the calf crop is smaller than anticipated, slaughter would have to be reduced further to stabilize the inventory. A 7-8 million head reduction in slaughter (16 percent) during 1977 is quite unlikely; half of this amount might be more realistic. Thus, it appears that 1978 represents the first chance for ending the downturn in cattle numbers.

Veal Supplies and Prices

	Commercial			Per capita[1]	Prices		
	Slaughter	Av. dr. wt.	Production		Retail	Choice vealers So. St. Paul	Farm
	1,000 head	*lb.*	*Mil. lb.*	*lb.*	*Cents per lb.*	*$ cwt*	*$ cwt*
1971							
I . . .	1,006	132	133	.7	129.6	42.94	34.90
II . . .	883	146	129	.6	133.8	46.55	35.67
III . .	889	146	130	.7	139.1	47.11	35.93
IV . .	911	136	124	.7	140.6	48.60	37.70
Year . .	3,689	140	516	2.7	135.8	46.30	36.40
1972							
I . . .	885	133	118	.6	147.0	51.07	40.90
II . . .	699	149	104	.5	152.3	55.57	42.80
III . .	718	146	105	.5	157.1	57.65	45.23
IV . .	751	136	102	.6	159.2	56.02	46.83
Year . .	3,053	141	429	2.2	153.9	55.09	44.70
1973							
I . . .	685	140	96	.5	169.4	63.00	53.63
II . . .	489	155	76	.4	181.0	63.43	58.00
III . .	475	154	73	.4	186.8	67.68	62.87
IV . .	600	133	80	.5	189.5	62.21	53.53
Year . .	2,249	145	325	1.8	181.7	64.08	56.60
1974							
I . . .	614	135	83	.5	197.3	63.17	52.33
II . . .	585	144	84	.4	193.9	54.38	42.50
III . .	762	159	121	.6	194.4	43.96	33.47
IV . .	1,026	150	154	.8	190.7	37.02	26.13
Year . .	2,987	148	442	2.3	194.1	49.63	35.20
1975							
I . . .	1,068	155	166	.9	183.4	38.68	24.40
II . . .	1,137	160	182	.9	182.1	42.18	28.37
III . .	1,449	160	232	1.2	182.1	37.56	26.67
IV . .	1,555	159	247	1.2	177.0	43.33	28.30
Year . .	5,209	159	827	4.2	181.1	40.44	27.20
1976 I	1,370	150	206	1.1	173.8	50.84	33.70
II . . .	1,196	149	178	.8	174.0	44.01	38.23
III[2] . .	1,300	154	200	1.0	174.5	38.62	34.27
IV . .							
Year . .							

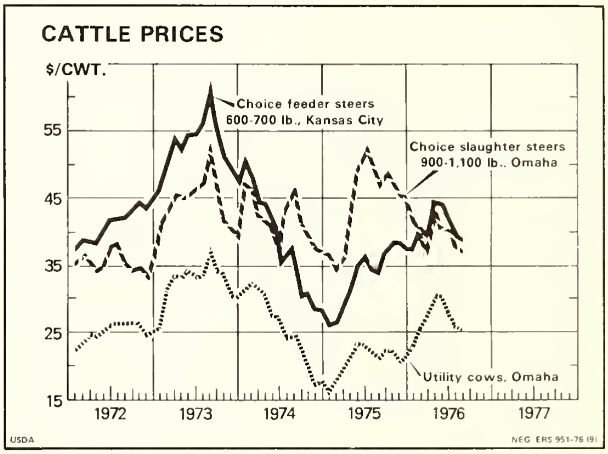
[1] Total consumption including farm production. [2] Estimate.



Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.			Choice feeder steer calves[1]		
	1974	1975	1976	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	50.58	26.45	37.46	54.66	25.55	37.47
Feb.	47.95	26.96	40.42	54.45	26.29	41.40
Mar.	44.81	28.75	39.69	54.02	29.14	44.01
Apr.	44.15	31.69	44.62	50.30	31.45	47.01
May	40.14	35.50	44.21	45.48	34.66	47.58
June	35.10	36.81	42.83	39.96	35.82	44.81
July	36.72	34.70	39.18	37.72	32.58	40.64
Aug.	36.70	34.34	38.94	36.84	31.70	41.13
Sept.	30.49	37.59	36.18	32.40	35.15	38.18
Oct.	30.94	38.09		30.47	36.04	
Nov.	28.71	38.26		27.31	36.26	
Dec.	28.27	37.83		26.54	35.94	
Av.	37.88	33.91		40.84	32.55	

[1] 400-500 lbs.



Choice steer prices per 100 pounds, Omaha[1]

Month	1971	1972	1973	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
January	29.10	35.63	40.65	47.14	36.34	41.18
February . . .	32.18	36.32	43.54	46.38	34.74	38.80
March	31.89	35.17	45.65	42.85	36.08	36.14
April	32.41	34.52	45.03	41.53	42.80	43.12
May	32.86	35.70	45.74	40.52	49.48	40.62
June	32.35	37.91	46.76	37.98	51.82	40.52
July	32.44	38.38	47.66	43.72	50.21	37.92
August	33.10	35.70	52.94	46.62	46.80	37.02
September . .	32.58	34.69	45.12	41.38	48.91	36.97
October	32.22	34.92	41.92	39.64	47.90	
November . . .	33.30	33.59	40.14	37.72	45.23	
December . . .	34.28	36.85	39.36	37.20	45.01	
Average	32.39	35.78	44.54	41.89	44.61	

[1] 900-1,100 lb.

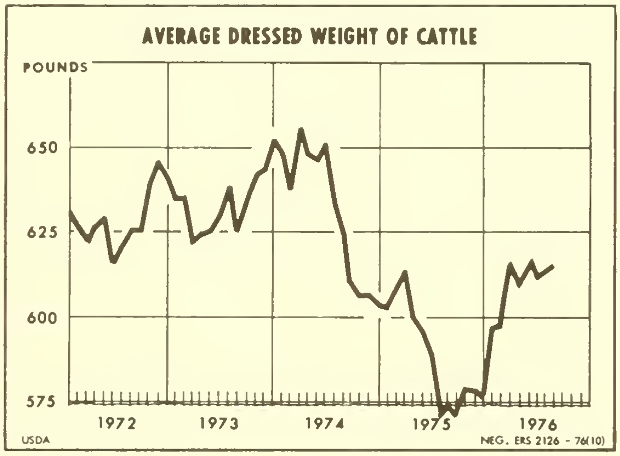
Federally inspected cattle slaughter

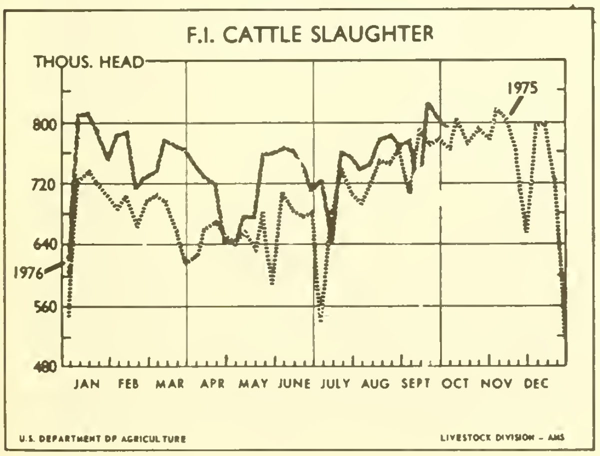
Week ended 1976[1]	Cattle 1975	Cattle 1976	Steers 1975	Steers 1976	Cows 1975	Cows 1976
	Thou.	Thou.	Thou.	Thou.	Thou.	Thou.
Jan. 10	730	818	350	313	190	251
17	740	837	366	328	175	253
24	723	795	353	327	182	225
31	707	755	351	301	165	222
Feb. 7	692	788	355	336	147	210
14	706	795	355	343	164	189
21	668	717	334	308	152	184
28	700	730	363	318	141	178
Mar. 6	712	742	356	330	159	166
13	702	778	373	362	143	154
20	662	775	330	356	149	168
27	611	765	319	356	134	159
Apr. 3	631	751	314	358	143	146
Apr. 10	662	732	328	331	155	157
17	674	725	337	334	158	157
24	654	644	320	282	160	155
May 1	649	644	320	275	154	168
May 8	661	687	325	315	157	157
15	638	735	296	345	171	163
22	680	765	323	353	175	179
29	592	766	280	354	150	172
June 5	716	672	342	314	175	143
12	686	762	307	354	186	180
19	680	727	295	345	194	169
26	686	711	302	321	195	173
July 3	552	727	250	351	154	165
July 10	682	644	299	310	201	141
17	739	767	317	353	225	196
24	710	759	297	360	208	178
31	695	739	293	350	206	166
Aug. 7	721	744	305	359	212	164
14	744	780	315	365	220	182
21	750	785	307	363	220	184
28	768	776	312	351	223	188
Sept. 4	671	778	275	339	185	199
11	794	700	313	316	226	165
18	779	824	298		238	
25	783	813	294		249	
Oct. 2	768	780	273		254	
Oct. 9	810		294		262	
16	774		284		257	
23	802		284		270	
30	785		283		268	
Nov. 6	821		291		282	
13	805		289		275	
20	766		275		280	
27	650		248		221	
Dec. 4	802		286		290	
11	808		288		292	
18	725		266		260	
25	517		212		159	
Jan. 1	606		250		180	

[1] Corresponding date: January 11, 1975.

Utility cow prices per 100 pounds, Omaha

Month	1971	1972	1973	1974	1975	1976
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
January	19.98	22.61	26.67	31.45	16.82	23.26
February	20.98	23.80	31.43	32.65	18.18	25.90
March	22.03	24.73	33.90	31.76	19.45	27.45
April	21.48	24.70	33.59	30.49	21.67	30.72
May	22.30	25.51	34.26	27.67	23.55	30.24
June	22.03	26.00	33.09	26.39	23.32	27.47
July	21.68	26.22	34.21	24.22	22.00	25.80
August	21.72	26.18	37.56	24.54	21.29	25.10
September	21.84	26.57	34.58	22.56	22.45	22.90
October	22.30	26.19	33.68	19.68	22.01	
November	21.45	24.98	30.71	17.62	20.73	
December	21.64	25.02	30.10	17.67	21.64	
Average	21.62	25.21	32.82	25.56	21.09	





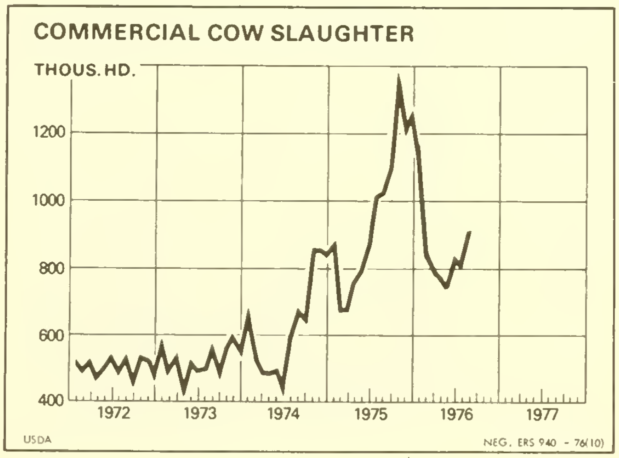


Table 4—Corn Belt Cattle Feeding

Selected expenses at current rates[1]

Purchased during / Marketed during	June / Dec.	July / Jan. 76	Aug. / Feb.	Sept. / Mar.	Oct. / Apr.	Nov. / May	Dec. / June	Jan. 76 / July	Feb. / Aug.	Mar. / Sept.	Apr. / Oct.	May / Nov.	June / Dec.	July / Jan.	Aug. / Feb.	Sept. / Mar.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars pper head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
600 lb. feeder steer	220.86	208.20	206.04	225.54	228.54	229.56	226.98	224.76	242.52	238.14	267.72	265.26	256.98	235.08	233.64	217,08
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	120.60	122.40	133.20	124.20	115.20	104.40	105.30	108.90	111.60	112.50	110.70	118.80	123.75	127.35	117.90	117.90
Silage (1.7 tons)	35.68	35.12	37.93	36.86	35.36	33.46	34.20	35.02	35.87	35.21	34.80	36.40	37.40	38.15	36.50	37.77
Protein supplement (270 lb.)	22.82	22.82	23.76	24.30	24.84	23.36	23.62	23.62	23.62	23.62	23.49	24.03	27.27	28.35	26.60	28.35
Hay (400 lb.)	9.20	8.70	9.10	9.55	9.70	9.80	10.20	10.30	10.55	19.95	9.90	9.95	10.0	10.05	10.15	11.05
Labor (4 hours)	8.40	8.76	8.76	8.76	9.80	9.80	9.80	9.80	10.24	10.24	10.24	10.32	10.32	10.32	9.56	9.56
Management[2]	4.20	4.38	4.38	4.38	4.90	4.90	4.90	4.90	5.12	5.12	5.12	5.16	5.16	5.16	4.78	4.78
Vet medicine[3]	2.97	2.99	3.00	3.03	3.03	3.03	3.04	3.03	3.05	3.06	3.08	3.08	3.12	3.13	3.12	3.11
Interest on purchase (6 mo.)	11.04	10.41	9.79	10.71	10.86	10.33	10.21	10.11	10.91	10.72	12.05	11.94	11.56	10.58	10.51	9.77
Power, equip, fuel, shelter, depreciation[3]	13.85	13.94	14.01	14.14	14.12	14.12	14.18	14.14	14.23	14.29	14.38	14.38	14.53	14.58	14.53	14.51
Death loss (1% of purchase)	2.21	2.08	2.06	2.26	2.29	2.30	2.27	2.25	2.43	2.38	2.68	2.65	2.57	2.35	2.34	2.18
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs[3]	6.00	6.03	6.06	6.11	6.11	6.11	6.13	6.11	6.15	6.18	6.22	6.22	6.29	6.30	6.29	6.28
Total	468.77	456.77	469.03	480.78	475.69	462.11	461.77	463.88	487.23	482.35	511.32	519.13	519.89	502.34	486.86	473.28
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	38.97	37.83	39.05	40.04	39.39	38.15	38.12	38.34	40.40	39.94	42.53	43.28	43.37	40.85	40.46	39.25
Selling price/cwt. required to cover all costs (1050 lb.)	44.64	43.50	44.67	45.79	45.30	44.01	43.98	44.18	46.40	45.94	48.70	49.44	49.51	47.84	46.37	45.07
Feed cost per 100 lb. gain	41.84	42.01	45.33	43.31	41.13	38.00	38.52	39.52	40.36	40.28	39.75	42.04	44.09	45.31	42.48	43.35
Choice steers, Omaha	45.01	41.18	38.80	36.14	43.12	40.62	40.52	37.92	37.02	36.97						
Net margin/cwt.	+.37	-2.32	-5.87	-9.65	-2.18	-3.39	-3.46	-6.26	-9.38	-8.97						
Prices																
Feeder steer choice (600-700 lb., Kansas City/cwt.)	36.81	34.70	34.34	37.59	38.09	38.26	37.83	37.46	40.42	39.69	44.62	44.21	42.83	39.18	38.94	36.18
Corn/bu.[4]	2.68	2.72	2.96	2.76	2.56	2.32	2.34	2.42	2.48	2.50	2.46	2.64	2.75	2.83	2.62	2.62
Hay/ton[4]	46.00	42.75	45.50	47.75	48.50	49.00	51.00	51.50	52.75	49.75	49.50	49.75	50.00	50.25	50.75	55.25
Corn silage /ton[5]	20.99	20.66	22.31	21.68	20.80	19.68	20.12	20.60	21.10	20.71	20.47	21.41	22.00	22.44	21.47	22.22
32-36% Protein supp./cwt.[6]	8.45	8.45	8.80	8.90	9.20	8.65	8.75	8.75	8.75	8.75	8.70	8.90	10.10	10.50	9.85	10.50
Farm Labor/hour[6]	2.10	2.19	2.19	2.19	2.45	2.45	2.45	2.45	2.56	2.56	2.56	2.58	2.58	2.58	2.39	2.39
Interest annual rate	10.00	10.00	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 mile	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	632	636	639	645	644	644	647	645	649	652	656	656	663	665	663	662

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illinois. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 5—Great Plains Custom cattle feeding[1]

Purchased during / Marketed during	June / Dec.	July / Jan. 76	Aug. / Feb.	Sept. / Mar.	Oct. / Apr.	Nov. / May	Dec. / June	Jan. 76 / July	Feb. / Aug.	Mar. / Sep.	Apr. / Oct.	May / Nov.	June / Dec.	July / Jan.	Aug. / Feb.	Sept. / Mar.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
600 lb. feeder steer	221.46	206.40	205.08	222.66	216.90	226.50	236.40	226.02	242.40	235.44	265.74	253.50	248.22	234.24	231.00	208.86
Transportation to feedlot (300 mi)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:																
milo (1,500 lb.)	69.75	74.10	79.50	75.60	69.60	66.75	68.85	65.85	67.35	69.00	68.25	69.75	72.75	75.60	68.10	66.15
corn (1,500 lb.)	77.10	82.65	89.55	79.50	75.00	72.75	74.40	71.10	71.85	72.60	73.50	78.45	81.75	82.50	75.75	70.50
cottonseed meal (400 lb.)	32.00	32.40	33.60	34.80	36.00	36.00	36.80	37.20	36.80	36.80	36.40	36.40	38.80	43.20	42.00	42.40
alfalfa hay (800 lb.)	33.60	36.40	34.00	33.80	34.20	38.00	36.60	37.00	38.80	37.20	37.80	38.40	38.00	39.20	39.00	39.40
Total feed cost	212.45	225.55	236.65	223.70	214.80	213.50	216.65	211.15	214.80	215.60	215.95	223.00	231.30	240.50	224.85	218.45
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & ½ feed	16.38	15.96	16.17	16.73	15.40	15.83	16.37	15.75	16.62	16.30	17.75	17.34	17.28	16.84	16.31	15.11
Death loss (1.5% of purchase)	3.32	3.10	3.08	3.34	3.25	3.40	3.55	3.39	3.64	3.53	3.99	3.80	3.72	3.51	3.46	3.13
Marketing[2]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Total	484.57	481.97	491.94	497.39	481.31	490.19	503.93	487.27	508.42	501.83	534.39	528.60	531.48	526.05	506.58	476.51
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price required to cover[3]:																
feed and feeder cost (1,056 lb.)	41.09	40.90	41.83	42.27	40.88	41.67	42.90	41.40	43.30	42.71	45.61	45.12	45.41	44.96	43.17	40.46
all costs	45.89	45.64	46.59	47.10	45.58	46.42	47.72	46.14	48.15	47.52	50.61	50.06	50.33	49.82	47.97	45.12
Selling price $/cwt.[4]	47.50	41.38	38.96	35.88	45.10	41.49	41.57	37.91	37.54	37.46						
Net margin/cwt.	+1.61	-4.26	-7.63	-11.22	-.48	-4.93	-6.15	-8.23	-10.61	-10.06						
Costs per 100 lb. gain:																
Variable costs less interest	47.95	50.53	52.75	50.21	48.41	48.18	48.84	47.71	48.49	48.63	48.79	50.16	51.80	53.60	50.46	49.12
Feed costs	42.49	45.11	47.33	44.74	42.96	42.70	43.33	42.23	42.96	43.12	43.19	44.60	46.26	48.10	44.97	43.69
Unit Prices:																
Choice feeder steer 600-700 lb. Amarillo $/cwt.	36.91	34.40	34.18	37.11	36.15	37.75	39.40	37.67	40.40	39.24	44.29	42.25	41.37	39.04	38.50	34.81
Transportation rate $/cwt/100 miles[5]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt.[6]	4.65	4.94	5.30	5.04	4.64	4.45	4.59	4.39	4.49	4.60	4.55	4.65	4.85	5.04	4.54	4.41
Corn $/cwt.[6]	5.14	5.51	5.97	5.30	5.00	4.85	4.96	4.74	4.79	4.84	4.90	5.23	5.45	5.50	5.05	4.70
Cottonseed meal $/cwt.[7]	8.00	8.10	8.40	8.70	9.00	9.00	9.20	9.30	9.20	9.20	9.10	9.10	9.70	10.80	10.50	10.60
Alfalfa hay $/ton[8]	84.00	91.00	85.00	84.50	85.50	95.00	91.50	92.50	97.00	93.00	94.50	96.00	95.00	98.00	97.50	98.50
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	10.00	10.00	10.00	10.00	10.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb. per day with a feed conversion of 8.4 lb. per pound gain. [2] Most cattle sold F.O.B. the feedlot with 4 percent shrink. [3] Sale weight 1,056 pounds (1,100 pounds less 4 yercent shrink) [4] Choice slaughter steers, 900-1,100 lb., Texas-New Mexico direct. [5] Converted from cents per mile for a 44,000 pound haul. [6] Texas Panhandle elevator price plus $.15/cwt. hauling and transportation to feed lots. [7] Average prices received by farmers in Texas. [8] Average prices received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Commercial slaughter of sheep and lambs during July-September totaled approximately 1.8 million head—14 percent fewer than were slaughtered during the summer quarter of 1975. Through three quarters of 1976, slaughter fell just short of 5.1 million head and trailed the previous year's total by almost one-fifth.

The weekly rate of slaughter under Federal inspection increased seasonally during September. This seasonal increase will likely continue through October reflecting the end of the volume movement of milk-fat lambs from the 1976 crop. Seasonally heavy culling of breeding animals should contribute to peak slaughter during this month. Slaughter activity normally declines during November and December. The commercial total for the fall quarter could exceed 1.7 million head, with October accounting for 35 to 40 percent of that total.

For this year commercial slaughter may be around 6.8 million head, which would be 12 to 13 percent fewer than last year.

Reduction in Slaughter to Continue in 1977

The January 1, 1976 inventory of all sheep and lambs was reduced only 8 percent. The prospective reduction in slaughter for this year would suggest that an increasing number of ewe lambs were being withheld for breeding replacements. If the midyear estimate of the lamb crop stands, reduction in the inventory for January 1 next year could be limited to 5 to 7 percent. The smaller number of animals on hand at the beginning of the year points to a continued reduction in slaughter during 1977. Most ewe lambs added to the breeding flock this year will not have their first lamb until 1978; still, reductions through the first half should be limited to 4 to 5 percent. Slaughter during the winter quarter may be only slightly greater than 1.6 million. The seasonally smaller run of primarily milk-fat lambs during the spring quarter may number only 50,000 fewer.

Lamb Prices Turn Up, Moderate Recovery Expected

Prices for Choice slaughter lambs improved during September, with most markets holding near $40 per 100 pounds. While representing little change from September a year ago, this is well below the seasonal peak of $65 recorded for the month of May. During the summer quarter Choice lambs at five markets lost $14 off the $56 per hundredweight average for April-June.

While a seasonal drop in prices was expected from the $60 to $65 range reached last spring, the decline was more severe than anticipated. The primary factor contributing to price weakness was a burdensome supply of red meats, as is indicated by the generally depressed livestock markets. Also, imports of lamb and mutton were up sharply from the 1975 levels. Imports through June were up by 81 percent and accounted for 11 percent of total commercial production. July and August imports jumped 10 percent and accounted for 14 percent of production.

Slaughter lamb prices are expected to strengthen as kill numbers drop in November and December. Anticipated strength in grain markets may weaken feeder prices relative to slaughter lambs. Prices for slaughter lambs may average in the mid-$40's during the fall quarter. Seasonal strength in prices late in the year could push the slaughter market to $50. However, this appears less likely now than during the early summer as hopes for a recovery in the fed cattle market fade.

Choice lamb prices per 100 pounds, San Angelo

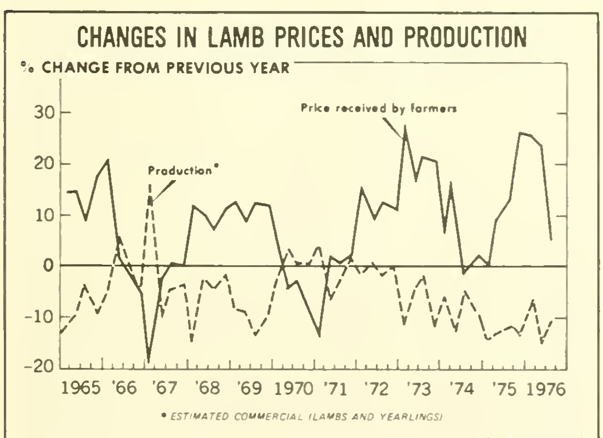
Month	Slaughter lambs			Feeder lambs		
	1974	1975	1976	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	39.50	38.25	49.25	39.55	34.12	48.38
Feb.	40.75	39.31	49.00	38.12	35.31	49.69
Mar.	40.38	45.88	56.25	40.88	43.50	56.30
Apr.	42.25	46.65	62.95	41.56	43.65	62.71
May	47.15	47.62	62.12	42.00	43.00	59.56
June	46.25	46.06	50.81	37.08	39.69	48.56
July	37.94	45.25	47.81	31.25	40.25	49.38
Aug.	42.50	40.75	40.62	32.58	38.75	45.94
Sept.	36.12	43.50	42.88	30.75	41.25	46.65
Oct.	36.44	44.50		31.75	42.62	
Nov.	37.58	46.83		36.25	46.33	
Dec.	39.25	48.75		36.42	48.38	
Av.	40.51	44.45		36.52	41.40	

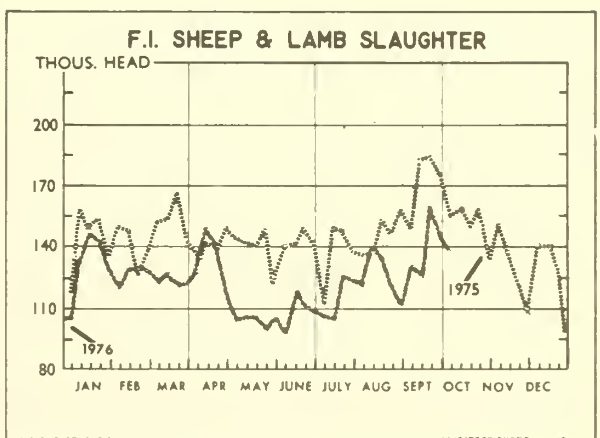
The improving price structure for late 1976 should continue into 1977. Prices during the winter quarter may average nearly $50 with late winter prices breaking $50. Spring quotations will gain momentum when the first milk-fat lambs move to slaughter; but, it is unlikely they will reach the near-$70 peak achieved during the spring of this year.

Table 6—Lamb supplies and prices

	Commercial slaughter[1]			Average dressed weight	Commercial production	Per capita consumption[2]	Prices			
	Lambs and yearlings	Sheep	Total				Retail	San Angelo Choice slaughter	San Angelo Choice feeder	Farm
	1,000 head	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cents per lb.*	*Dollars per/cwt.*	*Dollars per/cwt.*	*Dollars per/cwt.*
1971										
I	2,586	140	2,726	54	145	0.8	106.5	25.41	25.60	24.17
II	2,365	265	2,630	51	133	.8	108.3	29.60	26.62	27.30
III	2,424	247	2,671	49	129	.8	111.8	27.63	25.13	26.80
IV	2,497	206	2,703	51	137	.7	112.2	26.00	26.11	25.33
Year	9,872	858	10.730	51	544	3.1	109.7	27.16	25.86	25.90
1972										
I	2,544	116	2,660	54	142	.8	114.6	29.29	29.44	27.93
II	2,330	170	2,500	52	130	.9	116.9	32.92	31.45	29.90
III	2,328	202	2,530	49	124	.9	121.2	31.42	29.71	30.23
IV	2,396	214	2,610	53	137	.7	122.6	29.18	30.36	28.17
Year	9,598	702	10,300	52	533	3.3	118.8	30.70	30.24	29.10
1973										
I	2,240	76	2,316	54	126	.7	130.6	38.65	38.70	35.70
II	2,164	205	2,369	54	127	.7	134.0	38.22	37.37	34.97
III	2,237	305	2,542	51	128	.7	139.7	38.36	35.90	36.77
IV	2,116	254	2,370	52	123	.6	132.7	37.55	36.69	33.90
Year	8,757	840	9,597	53	504	2.7	134.3	38.20	37.17	35.10
1974										
I	2,082	108	2,190	54	119	.6	137.6	40.21	39.52	38.17
II	1,972	140	2,112	52	109	.6	139.7	45.22	40.21	40.43
III	2,214	199	2,413	49	118	.6	152.3	38.85	31.53	36.20
IV	1,991	141	2,132	51	108	.5	153.3	37.76	34.81	34.83
Year	8,259	588	8,847	51	454	2.3	145.7	40.51	36.52	37.00
1975										
I	1,879	65	1,944	52	101	.5	155.9	41.15	37.64	38.17
II	1,773	152	1,925	50	96	.5	163.9	46.78	42.11	44.50
III	1,922	169	2,091	50	104	.5	174.7	43.17	40.08	41.17
IV	1,681	194	1,875	52	98	.5	176.2	46.69	45.78	44.37
Year	7,255	580	7,835	51	399	2.0	167.6	44.45	41.40	42.10
1976 I	1,647	69	1,716	55	95	.5	179.3	51.50	51.46	48.07
II	1.423	138	1,561	52	81	.4	188.2	58.63	56.94	55.30
III[3]	1,625	157	1,782	52	93	.5	190.0	43.77	47.32	43.37
IV										
Year										

[1] Classes estimated. [2] Total including Farm Population. [3] Estimate.





MEAT CONSUMPTION AND PRICES

Commercial red meat production from January to June totaled 18.7 billion pounds. Commercial production for July and August and federally inspected slaughter data for September point to a possible 9.8 billion pounds of commercial red meat production for the third quarter of 1976; this would be up 9 percent from a year earlier. If achieved, the result would bring meat production for the first three quarters of 1976 to nearly 28.5 billion pounds. The bulk of the increase in meat production has resulted from increased beef availability. If that level of meat production is realized, it would mean a per capita red meat consumption from January to September 1976 of 142 pounds, up 7 pounds per person from the same period last year, but 2 pounds under the 1971 record.

Commercial beef production during January through August was near 17 billion pounds, up almost 10 percent from the same period in 1975

Table 7—Per capita meat consumption by quarters[1]

Year	Carcass weight					Retail weight				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Beef										
1969	27.2	26.7	28.6	28.3	110.8	20.2	19.7	21.2	20.9	82.0
1970	28.3	27.9	29.0	28.5	113.7	20.9	20.6	21.5	21.1	84.1
1971	27.7	28.1	29.3	27.9	113.0	20.5	20.8	21.7	20.6	83.6
1972	28.2	28.9	29.4	29.6	116.1	20.9	21.4	21.7	21.9	85.9
1973	28.0	26.2	26.8	28.6	109.6	20.7	19.4	19.8	21.2	81.1
1974	28.3	28.8	29.4	30.3	116.8	20.9	21.3	21.8	22.4	86.4
1975	30.3	28.4	30.2	31.2	120.1	22.4	21.0	22.4	23.1	88.9
1976[2]	32.7	31.2	32.9	31.7	128.5	24.2	23.1	24.3	23.5	95.1
Veal										
1969	0.9	0.8	0.8	0.8	3.3	0.7	0.6	0.7	0.7	2.7
1970	.8	.7	.7	.7	2.9	.6	.6	.6	.6	2.4
1971	.7	.6	.7	.7	2.7	.6	.5	.5	.6	2.2
1972	.6	.5	.5	.6	2.2	.5	.4	.4	.5	1.8
1973	.5	.4	.4	.5	1.8	.5	.3	.3	.4	1.5
1974	.5	.4	.6	.8	2.3	.4	.3	.5	.7	1.9
1975	.9	.9	1.2	1.2	4.2	.8	.8	1.0	1.0	3.6
1976[2]	1.1	.8	1.0	.8	3.7	.9	.7	.8	.7	3.1
Pork										
1969	17.0	16.0	15.5	16.5	65.0	15.8	14.9	14.4	15.3	60.4
1970	15.4	15.6	16.3	19.1	66.4	14.3	14.5	15.2	17.8	61.8
1971	18.3	17.8	18.0	18.9	73.0	17.0	16.6	16.7	17.6	67.9
1972	17.7	16.6	15.8	17.3	67.4	16.5	15.4	14.7	16.1	62.7
1973	16.0	15.4	14.0	16.2	61.6	14.9	14.3	13.0	15.1	57.3
1974	16.7	17.2	16.1	16.6	66.6	15.5	16.0	15.0	15.4	61.9
1975	15.0	14.1	12.3	13.4	54.8	14.0	13.1	11.4	12.5	51.0
1976[2]	14.0	13.2	14.2	15.5	56.9	13.0	12.3	13.2	14.4	52.9
Lamb & Mutton										
1969	0.9	0.8	0.9	0.8	3.4	0.8	0.8	0.7	0.7	3.0
1970	.9	.9	.8	.7	3.3	.8	.8	.7	.6	2.9
1971	.8	.8	.8	.7	3.1	.7	.7	.7	.7	2.8
1972	.8	.9	.9	.7	3.3	.7	.8	.8	.6	2.9
1973	.7	.7	.7	.6	2.7	.7	.6	.6	.5	2.4
1974	.6	.6	.6	.5	2.3	.5	.5	.5	.5	2.0
1975	.5	.5	.5	.5	2.0	.5	.4	.4	.5	1.8
1976[2]	.5	.4	.5	.5	1.9	.5	.4	.4	.4	1.7
Red Meat										
1969	46.0	44.3	45.8	46.4	182.5	37.5	36.0	37.0	37.6	148.1
1970	45.4	45.1	46.8	49.0	186.3	36.6	36.5	38.0	40.1	151.2
1971	47.5	47.3	48.8	48.2	191.8	38.8	38.6	39.6	39.5	156.5
1972	47.3	46.9	46.6	48.2	189.0	38.6	38.0	37.6	39.1	153.3
1973	45.2	42.7	41.9	45.9	175.7	36.8	34.6	33.7	37.2	142.3
1974	46.1	47.0	46.7	48.2	188.0	37.3	38.1	37.8	39.0	152.2
1975	46.7	43.9	44.2	46.3	181.1	37.7	35.3	35.2	37.1	145.3
1976[2]	48.3	45.6	48.6	48.5	191.0	38.6	36.5	38.7	39.0	152.8

[1] Total consumption including farm, 50 States. [2] III, IV quarters forecast.

and a record. Preliminary data indicate a possible record third quarter beef production of 6.6 billion pounds. If this is reached, it would result in a summer per capita beef consumption above 33 pounds (carcass weight). July and August commercial pork production data and September federally inspected hog-slaughter information indicate a summer pork production exceeding 2.9 billion pounds. That would push per capita consumption this summer to almost 14.2 pounds—15 percent above the third quarter 1975 level. If these levels of beef and pork consumption are realized and an anticipated record broiler meat output of 2.4 billion pounds for July to September occurs, the result would be a per capita red meat plus broiler consumption of 59 pounds—exceeding the record set in the third quarter of 1971.

Retail beef prices have been trending lower since July 1975. The average price of Choice grade beef was $1.37 per pound for July and August, down 20 cents from the same period a year ago. Lower-quality beef prices have generally not paralleled changes in the Choice beef market. Considering the level of cow beef output in relation to the supply of fed beef, cow beef prices held up unusually well during 1976. The average retail price of hamburger has been stable—nearly 90 cents a pound from May 1975 to August 1976.

The average retail price of pork was almost $1.40 a pound for July and August and dropped 7 cents from the same period a year ago. During July and August, the average retail composite price of pork ran about 3 cents above the average

Table 8—Expenditures per person and percent of income spent for red meat[1]

Year and quarter	Disposable income	Spent for beef[2]	Percentage	Spent for pork	Percentage	Spent for veal	Percentage	Spent for lamb	Percentage	Spent for all meat	Percentage
	Dollars	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*
1955	1,654	42.75	2.58	33.27	2.01	4.99	0.30	2.73	0.17	83.76	5.06
1960	1,934	51.57	2.67	33.76	1.75	4.10	.21	3.11	.16	92.54	4.79
1965	2,430	58.95	2.43	35.93	1.48	3.58	.15	2.61	.11	101.07	4.16
1970	3,348	82.92	2.48	48.20	1.44	2.98	.09	3.06	.09	137.16	4.10
1971											
I	877	20.54	2.34	11.76	1.34	.78	.09	.75	.09	33.83	3.86
II	895	21.80	2.44	11.42	1.28	.67	.07	.76	.08	34.65	3.87
III	902	22.87	2.53	11.91	1.32	.70	.08	.78	.09	36.26	4.02
IV	913	21.96	2.41	12.65	1.39	.84	.09	.79	.09	36.24	3.97
Year	3,588	87.11	2.43	47.74	1.33	2.98	.08	3.07	.09	140.90	3.93
1972											
I	931	23.91	2.57	13.04	1.40	.74	.08	.80	.09	38.49	4.13
II	943	24.03	2.55	12.31	1.31	.61	.06	.94	.10	37.89	4.02
III	964	25.02	2.60	12.66	1.31	.63	.07	.97	.10	39.28	4.08
IV	999	24.79	2.48	14.12	1.41	.80	.08	.74	.07	40.45	4.05
Year	3,837	97.75	2.55	52.17	1.36	2.77	.07	3.45	.09	156.14	4.07
1973											
I	1,033	26.74	2.59	14.62	1.42	.85	.08	.91	.09	43.12	4.17
II	1,060	26.35	2.48	14.74	1.39	.54	.05	.80	.08	42.43	4.00
III	1,082	28.08	2.60	15.83	1.46	.56	.05	.84	.08	45.31	4.19
IV	1,111	28.64	2.58	17.53	1.58	.76	.07	.66	.06	47.59	4.29
Year	4,286	109.89	2.56	62.90	1.47	2.73	.06	3.22	.08	178.74	4.17
1974											
I	1,122	30.33	2.70	17.86	1.59	.79	.07	.69	.06	49.67	4.42
II	1,145	28.65	2.50	15.89	1.39	.58	.05	.70	.06	45.82	4.00
III	1,176	30.74	2.62	16.11	1.37	.97	.08	.76	.06	48.58	4.13
IV	1,195	30.13	2.52	17.09	1.43	1.33	.11	.77	.06	49.32	4.13
Year	4,639	119.92	2.59	66.98	1.45	3.69	.08	2.91	.06	193.50	4.17
1975											
I	1,202	29.03	2.42	16.02	1.33	1.47	.12	.78	.06	47.30	3.94
II	1,276	30.76	2.41	16.13	1.27	1.46	.11	.66	.05	49.01	3.84
III	1,276	35.03	2.75	17.01	1.33	1.82	.14	.70	.06	54.56	4.28
IV	1,307	34.97	2.69	19.18	1.48	1.77	.14	.88	.07	56.80	4.37
Year	5,060	129.79	2.58	68.85	1.37	6.52	.13	3.02	.06	208.18	4.13
1976											
I	1,337	34.39	2.57	18.40	1.37	1.56	.12	.90	.07	55.25	4.13
II	1,364	32.69	2.40	17.04	1.25	1.22	.09	.75	.06	51.73	3.80
III	1,395	33.17	2.38	18.22	1.31	1.40	.10	.76	.05	53.55	3.84
IV											
Year											

1Estimated from retail weight of consumption times average retail price. Conversion factors of 0.74 for beef, 0.93 for pork, 0.83 for veal, and 0.89 for lamb and mutton were used to adjust carcass weight consumption to retail weight consumption.

2 Based on the average retail price of Choice grade beef and does not attempt to account for prices of other grades or the value of away-from-home consumption.

retail price of Choice beef. Continued large beef and pork production, coupled with seasonal increases in turkey production and continued large year-to-year gains in broiler production, will maintain a downward pressure on retail meat prices for the remainder of this year.

Expenditures

In the past several years, consumers have generally spent a larger proportion of their income for meat during the third quarter than any other part of the year. Based on preliminary data, it appears that the percentage of disposable income spent for meat during the third quarter of 1976 will remain steady with the second quarter because the increase in beef consumption has been offset by lower prices. Third-quarter expenditures for beef are expected to be nearly $33 per person, dropping almost $2 from the same period in 1975. It is anticipated that the per capita expenditures for pork during the third quarter could exceed $19, up more than $2 from the third quarter of 1975.

Increased consumption at higher retail prices for the first half of 1976 implies a strong demand for red meat and poultry. This reflects the general improvement in the economy and the increase in the number of people at work during this period. The overall economic situation for the rest of 1976, and the beginning of 1977, will continue to improve at a moderate and steady pace.

The outlook for red meat expenditures does not parallel anticipated changes in the overall economy. The percent of income spent per person for red meat has declined during 1976, and probably will continue to do so for the remainder of the year, although consumers have shown a large appetite for meat during 1976. Increases in fourth-quarter meat availability will keep pressure on retail meat prices. Retail beef prices will be well below 1975 levels for the rest of this year and the first quarter of 1977. The expected increase in fourth-quarter pork production will put downward pressure on retail pork prices. These retail prices will result in decreased meat expenditures from year-earlier levels and a decrease in the percentage of disposable income spent for meat.

Price Spreads

Fed cattle prices have declined much faster than retail beef prices during July and August, resulting in an average farm-retail price spread of 63 cents. That is a 6-cent-per-pound increase over the second quarter but still 2 cents below the record first quarter spread of this year. The farm-carcass spread has remained stable—nearly 10.5 cents per pound from May to August. The carcass-retail spread, which represents the cost of breaking carcasses after arrival at principal consuming centers, local delivery, retail cutting, packaging, and other retail costs, has increased by 14 percent from April of this year to 53 cents in July and August. Marketing spreads for pork also increased as a result of sharp hog price declines and smaller retail declines. In August, the pork farm-retail spread was up 3 cents from July to 58.7, which is 10 cents above June. These spreads are still under the record pork farm-retail price spreads set in the fourth quarter of 1975. Generally large price spreads have provided an opportunity for increased farm level prices with a steady, or even decreasing effect on retail prices. There is a potential for this happening, but it appears more likely to occur with beef than pork.

PRICE SPREADS FOR CHOICE BEEF

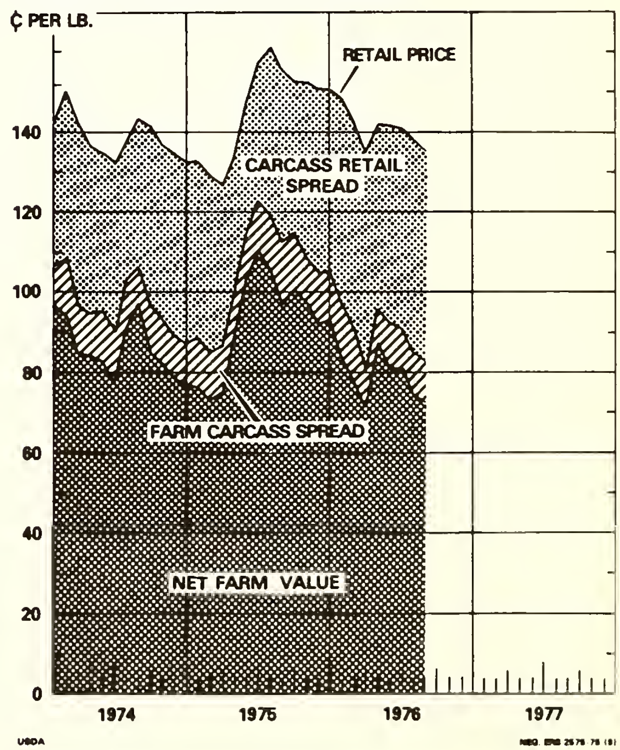


Table 9—Beef and Pork Prices and Price Spreads

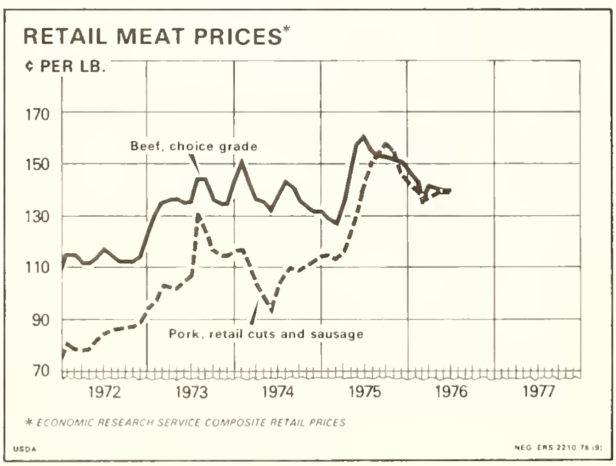
Date	Retail price per pound[1]	Carcass value[2]	Gross farm value[3]	Byproduct allowance[4]	Net farm value[5]	Farm-retail spread			Farmers' share
						Total	Carcass-retail	Farm-carcass	
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Percent*
					Beef, Choice grade				
1970	98.6	68.3	66.2	4.7	61.5	37.1	30.3	6.8	62
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1972									
I	114.4	81.4	79.3	5.7	73.6	40.8	33.0	7.8	64
II	112.3	81.3	80.4	6.9	73.5	38.8	31.0	7.8	65
III	115.3	79.9	80.5	7.9	72.6	42.7	35.4	7.3	63
IV	113.2	77.8	78.9	8.9	70.0	43.2	35.4	7.8	62
1973									
I	129.2	95.2	96.6	9.3	87.3	41.9	34.0	7.9	68
II	135.8	100.2	102.7	10.0	92.7	43.1	35.6	7.5	68
III	141.8	104.9	110.4	11.6	98.8	43.0	36.9	6.1	70
IV	135.1	92.1	90.2	9.5	80.7	54.4	42.9	11.5	60
1974									
I	145.1	103.9	101.5	9.4	92.1	53.0	41.2	11.8	63
II	134.5	93.6	89.0	7.3	81.7	52.8	40.9	11.9	61
III	141.0	102.1	99.1	7.8	91.3	49.7	38.9	10.8	65
IV	134.5	90.2	85.4	6.1	79.3	55.2	44.3	10.9	59
1975									
I	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
II	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
III	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
IV	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.	148.6	96.4	91.2	7.7	83.5	65.1	52.2	12.9	57
Feb.	142.7	90.1	85.3	7.6	77.7	65.0	52.6	12.4	54
Mar.	135.1	82.8	79.7	7.9	71.8	63.3	52.3	11.0	53
Apr.	142.0	95.9	96.2	8.8	87.4	54.6	46.1	8.5	62
May	141.7	92.1	90.2	9.0	81.2	60.5	49.6	10.9	57
June	140.8	91.0	89.4	8.8	80.6	60.2	49.8	10.4	57
July	138.2	84.9	83.2	9.0	74.2	64.0	53.3	10.7	54
Aug.	135.8	83.2	81.8	9.0	72.8	63.0	52.6	10.4	54
Sept.									
Oct.									
Nov.									
Dec.									
					Pork				
1970	78.0	58.8	42.8	3.4	39.4	38.6	19.2	19.4	51
1971	70.3	52.1	35.0	2.7	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1972									
I	79.0	61.4	47.0	3.3	43.7	35.3	17.6	17.7	55
II	79.9	61.1	47.5	3.3	44.2	35.7	18.8	16.9	55
III	86.1	67.2	55.2	3.8	51.4	34.7	18.9	15.8	60
IV	87.7	71.6	55.3	3.7	51.6	36.1	16.1	20.0	59
1973									
I	98.1	80.1	68.4	4.9	63.5	34.6	18.0	16.6	65
II	103.1	79.4	70.8	6.0	64.8	38.3	23.7	14.6	63
III	121.8	101.7	94.8	8.7	86.1	35.7	20.1	15.6	71
IV	116.1	87.9	78.9	7.4	71.5	44.6	28.2	16.4	62
1974									
I	115.2	82.3	73.8	7.7	66.1	49.1	32.9	16.2	57
II	99.3	66.4	53.2	5.3	47.9	51.4	32.9	18.5	48
III	107.4	77.6	70.1	7.3	62.8	44.6	29.8	14.8	58
IV	111.0	83.5	75.0	8.4	66.6	44.4	27.5	16.9	60
1975									
I	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
II	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
III	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
IV	153.4	113.9	100.9	7.3	93.6	59.8	39.5	20.3	61
1976									
Jan.	144.2	103.3	93.4	6.0	87.4	56.8	40.9	15.9	61
Feb.	141.6	101.5	94.3	6.5	87.8	53.8	40.1	13.7	62
Mar.	138.7	96.2	90.1	6.2	83.9	54.8	42.5	12.3	60
Apr.	136.6	98.6	92.4	6.2	86.2	50.4	38.0	12.4	63
May	138.6	101.4	94.4	6.2	88.2	50.4	37.2	13.2	64
June	140.4	101.8	98.1	6.4	91.7	48.7	38.6	10.1	65
July	142.1	98.6	93.1	6.8	86.3	55.8	43.5	12.3	61
Aug.	137.4	92.0	84.7	6.0	78.7	58.7	45.4	13.3	57
Sept.									
Oct.									
Nov.									
Dec.									

[1] Estimated weighted average price of retail cuts. [2] For quantity equivalent to 1 lb. of retail cuts: Beef; 1.41 lb. of carcass beef; Pork: 1.07 lb. of wholesale cuts. [3] Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.28 lb.; Pork, 1.97 lb. [4] Portion of gross farm value attributed to edible and inedible byproducts. [5] Gross farm value minus byproduct allowance.

Table 10—Average retail price of meat per pound, United States, by months, 1968 to date[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Beef, Choice grade							
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0	134.9	134.4	135.5
1974	143.0	150.0	142.2	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	138.8
1975	132.8	129.0	127.0	133.9	147.8	157.8	161.0	155.5	152.8	152.4	151.2	150.6	146.0
1976	148.6	142.7	135.1	142.0	141.7	140.8	138.2	135.8					
						Veal, retail cuts							
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	183.5	179.6	180.2	182.9	183.1	186.6	181.6	178.2	176.8	176.7	177.4	181.1
1976	174.4	173.7	173.2	171.5	173.6	176.8	174.4	174.9					
						Pork							
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1	115.4	115.8	109.8
1974	116.7	117.2	111.8	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	108.2
1975	114.9	114.8	113.6	115.7	123.0	130.5	143.7	150.2	153.8	158.7	154.0	147.5	135.0
1976	144.2	141.6	138.7	136.6	138.6	140.4	142.1	137.4					
						Lamb, Choice grade							
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	146.4
1975	156.0	157.1	154.5	158.2	164.2	169.2	174.9	173.5	175.7	175.0	176.5	177.0	167.6
1976	178.3	178.1	181.4	183.4	188.2	193.1	192.4	189.8					

[1] Estimated weighted average price of retail cuts. Compiled by Economic Research Service from BLS data.



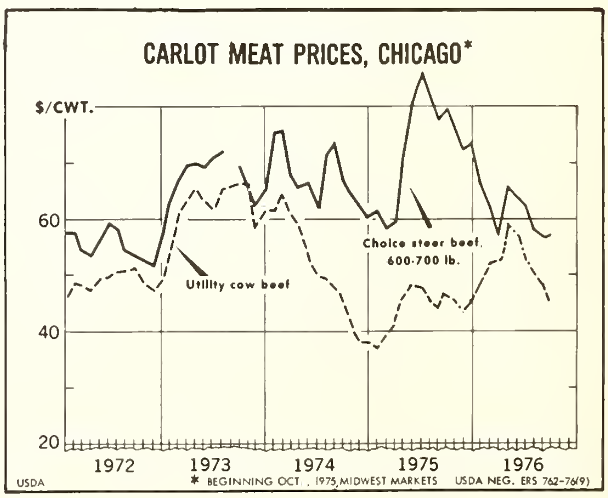


Table 11—U.S. customs service monitoring of meat subject to the meat import law, 1976[1]

Country	January	February	March	April	May	June	July	August[2]	Jan.-Aug.
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Australia	74.2	45.0	65.0	42.8	49.1	58.8	53.0	42.8	430.6
Canada	.9	4.2	14.6	6.6	7.4	11.3	6.6	7.2	58.7
Costa Rica	4.8	9.6	11.6	6.0	4.8	5.1	3.6	3.4	49.0
Dominican Republic	1.3	1.2	1.7	1.0	1.3	1.3	.8	1.0	9.6
El Salvador	.6	1.4	1.4	1.0	1.1	.9	.2	.7	7.3
Guatemala	2.0	3.6	3.6	2.8	1.8	.5	.8	2.7	17.8
Haiti	.2	.1	.1	.2	.1	.1	.1	---	.9
Honduras	3.2	3.5	4.5	5.1	3.2	3.5	1.9	1.9	26.8
Ireland	.6	.4	1.7	.6	.9	---	---	---	4.1
Mexico	3.9	4.0	4.3	2.9	2.2	3.6	1.8	2.0	24.7
New Zealand	22.1	13.6	31.7	20.5	26.7	29.0	18.1	19.6	181.4
Nicaragua	3.1	4.8	6.0	4.5	5.7	5.9	.6	.9	31.5
Panama	.7	.9	1.2	.6	.1	---	---	.3	2.2
Total[2]	117.6	92.2	147.7	94.7	104.4	120.0	87.5	82.3	[3] 846.2

[1] Fresh frozen and chilled beef, veal, mutton and goat meat. Excludes canned meat and other prepared or preserved meat products. [2] May not add due to rounding. [3] Includes 1,548,000 lb. of beef erroneously charged to Panama.

Table 12—Meat subject to U.S. import quota restriction, product weight

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972[1]	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973[1]	106.2	98.4	88.3	97.9	113.1	91.5	106.0	153.7	110.3	149.9	130.0	110.3	1,355.6
1974[1]	118.0	82.3	104.9	91.4	80.6	78.6	59.4	101.4	91.8	72.3	93.2	105.2	1,079.1
1975	135.5	97.5	106.0	86.1	75.8	100.9	104.3	112.8	114.5	85.2	121.7	68.6	1,208.9
1976	120.2	74.6	125.2	114.2	124.2	132.1	102.5	102.0					

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, 17.8 million pounds for 1972, 18.4 million pounds for 1973, and 9.6 for 1974.

Table 13—U.S. meat imports and exports and percentage comparisons (carcass weight)

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1975	1976	Change	1975	1976	Change	1975	1976	Change	1975	1976	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January	192	182	-5	1	2	+118	44	48	+9	237	232	-2
February	139	121	-13	2	3	+66	33	30	-9	174	154	-12
March	151	189	+26	2	2	+2	41	38	-8	194	229	+18
April	124	171	+38	3	2	-21	37	36	-4	164	209	+27
May	110	186	+69	1	4	+168	34	35	+5	145	225	+55
June	146	202	+38	2	7	+262	31	37	+21	179	246	+38
July	154	165	+7	3	4	+37	38	39	+2	195	208	+7
August	167	167	0	4	4	-13	26	27	+7	197	198	0
September	171			3			33			207		
October	137			2			39			178		
November	182			2			37			221		
December	109			2			36			147		
Total	1,782			27			429			2,238		
EXPORTS												
January	4.09	7.21	+77	0.39	0.24	-38	8.61	17.06	+98	13.09	24.51	+87
February	4.24	7.42	+75	.26	.29	+14	10.64	26.43	+148	15.14	34.14	+126
March	4.01	8.09	+101	.39	.38	-1	24.88	38.30	+54	29.28	46.77	+60
April	4.33	7.00	+62	.37	.39	+6	10.68	22.00	+106	15.38	29.39	+91
May	3.34	7.13	+114	.40	.31	-21	13.42	36.57	+172	17.16	44.01	+157
June	2.92	8.47	+190	.29	.38	+31	19.18	23.47	+22	22.39	32.32	+44
July	2.97	7.71	+159	.37	.34	-8	23.74	19.92	-16	27.08	27.97	+3
August	3.84	6.85	+79	.26	.31	+22	22.18	22.48	+1	26.28	29.64	+13
September	3.04			.28			18.99			22.31		
October	5.29			.37			17.14			22.80		
November	7.74			.27			19.36			27.37		
December	7.62			.29			22.25			30.16		
Total	53.43			3.94			211.07			268.44		

[1] Includes goat meat.

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
1975								
July	1,916	288	153	7	269	17	2,064	9.8
August	1,961	269	166	10	258	25	2,103	9.9
September	2,065	258	169	9	254	30	2,199	10.4
October	2,270	254	135	8	272	28	2,351	11.1
November	1,970	272	177	14	320	22	2,063	9.7
December	2,056	320	106	11	350	20	2,101	9.9
1976								
January	2,207	350	178	12	350	19	2,354	11.1
February	1,966	350	119	12	362	29	2,032	9.6
March	2,318	362	187	15	395	16	2,441	11.5
April	2,017	395	170	13	401	24	2,144	10.1
May	1,966	401	185	14	408	15	2,115	9.9
June	2,161	408	201	13	407	23	2,327	11.0
July	2,110	407	164	13	394	12	2,262	10.6
August	2,233	394	166	(13)	376	(12)	2,392	11.2
Veal:								
1975								
July	77	9	1	1	8	1	77	.4
August	73	8	1	2	9	1	70	.3
September	82	9	2	1	8	1	83	.4
October	95	8	2	2	9	1	93	.4
November	76	9	5	([3])	10	1	79	.4
December	76	10	3	1	11	1	76	.3
1976								
January	73	11	4	1	11	1	75	.4
February	62	11	2	1	10	1	63	.3
March	71	10	2	1	9	1	72	.3
April	59	9	1	1	10	1	57	.2
May	56	10	1	1	8	([3])	58	.3
June	63	8	1	1	8	1	62	.3
July	62	8	1	1	8	([3])	62	.3
August	67	8	1	(1)	8	(1)	66	.3
Lamb & Mutton:								
1975								
July	32	7	3	1	9	([3])	32	.1
August	32	9	4	1	10	([3])	34	.2
September	40	10	3	1	11	([3])	41	.2
October	38	11	2	1	11	([3])	39	.2
November	28	11	2	1	12	([1])	27	.1
December	32	12	2	([3])	12	([3])	34	.2
1976								
January	33	12	2	1	11	([3])	35	.2
February	29	11	3	([3])	11	([3])	32	.1
March	33	11	2	1	9	([3])	36	.2
April	32	9	2	1	10	([3])	32	.2
May	23	10	4	1	11	([3])	25	.1
June	27	11	7	([3])	12	([3])	33	.1
July	28	12	4	1	14	([3])	29	.2
August	30	14	4	(1)	16	([3])	31	.2
Pork:								
1975								
July	817	284	38	31	230	8	870	4.1
August	794	230	26	31	186	13	820	3.9
September	901	186	33	26	190	11	893	4.2
October	936	190	39	24	222	11	908	4.3
November	904	222	37	31	269	5	858	4.0
December	995	269	36	33	249	7	1,011	4.8
1976								
January	953	249	48	23	236	7	984	4.6
February	850	236	30	32	222	9	853	4.0
March	1,092	222	38	50	248	5	1,049	4.9
April	1,003	248	36	31	267	7	982	4.6
May	879	267	35	47	270	6	858	4.0
June	899	270	37	31	236	7	932	4.4
July	848	236	39	27	195	2	899	4.2
August	1,020	195	27	(25)	168	(3)	1,046	4.9
Total Meat:								
1975								
July	2,842	588	195	40	516	26	3,043	14.4
August	2,860	516	197	44	463	39	3,027	14.3
September	3,088	463	207	37	463	42	3,216	15.2
October	3,339	463	178	35	514	40	3,391	16.0
November	2,978	514	221	46	611	29	3,027	14.2
December	3,159	611	147	45	622	28	3,222	15.2
1976								
January	3,266	622	232	37	608	27	3,448	16.3
February	2,907	608	154	45	605	39	2,980	14.0
March	3,514	605	229	67	661	22	3,598	16.9
April	3,111	661	209	46	688	32	3,215	15.1
May	2,924	688	225	63	697	21	3,056	14.3
June	3,150	697	246	45	663	31	3,354	15.8
July	3,048	663	208	42	611	14	3,252	15.3
August	3,350	611	198	(40)	568	(16)	3,535	16.6

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 lb.

Selected marketings, slaughter and stock statistics for meat animals and meat

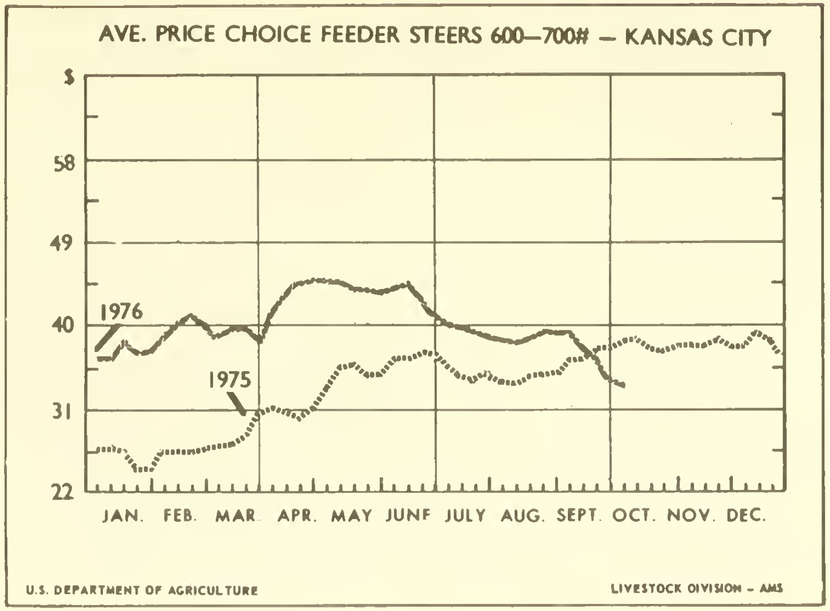
Item	Unit	1975			1976							
		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
FEDERALLY INSPECTED:												
Slaughter:												
Cattle	1,000 head	3,584	3,116	3,267	3,403	3,032	3,492	3,053	2,980	3,294	3,220	3,388
Steers	1,000 head	1,287	1,133	1,229	1,350	1,306	1,612	1,370	1,376	1,539	1,527	1.574
Heifers	1,000 head	993	815	834	969	899	4,074	911	848	909	869	944
Cows	1,000 head	1,198	1,081	1,123	1,009	760	731	697	680	761	748	790
Bulls and stags	1,000 head	105	87	82	75	67	75	75	76	85	76	80
Calves	1,000 head	443	357	381	369	327	415	353	304	340	346	373
Sheep and lambs	1,000 head	701	515	584	582	513	570	561	429	502	526	563
Hogs	1,000 head	5,379	5,085	5,508	5,400	4,873	6,325	5,827	5,086	5,146	4,907	5,968
Percentage sows	Percent	5	6	6	5	4	4	4	4	5	5	5
Average live weight per head												
Cattle	Pounds	997	1,000	1,008	1,020	1,026	1,034	1,031	1,035	1,030	1,026	1,026
Calves	Pounds	233	232	227	232	215	204	206	227	225	227	226
Sheep and lambs	Pounds	108	108	109	110	111	112	110	107	105	104	106
Hogs	Pounds	240	246	246	243	236	236	236	239	240	238	236
Average dressed weight												
Beef	Pounds	579	578	576	597	598	616	610	616	612	613	615
Veal	Pounds	130	130	126	130	123	116	117	129	129	131	129
Lamb and mutton	Pounds	52	53	54	56	56	56	54	52	51	52	53
Pork	Pounds	167	170	172	168	167	166	166	166	167	166	165
Lard	Pounds	14	16	15	16	13	14	14	15	14	15	14
Production:												
Beef	Mil. lb.	2,069	1,796	1,874	2,024	1,808	2,145	1,857	1,829	2,010	1,969	2,076
Veal	Mil. lb.	57	46	48	48	40	48	41	39	44	45	48
Lamb and mutton	Mil. lb.	36	27	31	32	28	32	30	22	26	27	29
Pork	Mil. lb.	896	864	943	906	811	1,049	963	842	860	814	982
Lard	Mil. lb.	75	81	81	84	64	87	82	78	74	72	84
COMMERCIAL:												
Slaughter:[1]												
Cattle	1,000 head	3,987	3,470	3,632	3,762	3,336	3,813	3,354	3,238	3,576	3,483	3,675
Calves	1,000 head	591	475	489	466	408	496	419	367	410	410	443
Sheep and lambs	1,000 head	732	536	607	601	528	587	590	448	524	547	585
Hogs	1,000 head	5,637	5,337	5,839	5,698	5,122	6,612	6,087	5,331	5,400	5,732	6,214
Production:												
Beef	Mil. lb.	2,270	1,970	2,056	2,207	1,966	2,318	2,017	1,966	2,161	2,110	2,233
Veal	Mil. lb.	95	76	76	73	62	71	59	56	63	62	67
Lamb and mutton	Mil. lb.	38	28	32	33	29	33	32	23	27	28	30
Pork	Mil. lb.	936	904	995	953	850	1,092	1,003	879	899	848	1,020
Lard	Mil. lb.	78	83	84	87	67	90	85	80	76	74	87
COLD STORAGE STOCKS FIRST OF MONTH:												
Beef	Mil. lb.	254	272	320	350	350	362	395	401	408	407	394
Veal	Mil. lb.	8	9	10	11	11	10	9	10	8	8	8
Lamb and mutton	Mil. lb.	11	11	12	12	11	11	9	10	11	12	14
Pork	Mil. lb.	190	222	269	249	236	222	248	267	270	236	195
Total meat and meat products[2]	Mil. lb.	518	571	668	675	672	677	727	752	765	727	675
FOREIGN TRADE:												
Imports: (carcass weight)												
Beef and veal	Mil. lb.	137	182	109	182	121	189	171	186	202	165	167
Pork	Mil. lb.	39	37	36	48	30	38	36	35	37	39	27
Lamb and mutton	Mil. lb.	2	2	2	2	3	2	2	4	7	4	4
Exports: (carcass weight)												
Beef and veal	Mil. lb.	5.29	7.74	7.62	7.21	7.42	8.09	7.00	7.13	8.47	7.71	6.85
Pork	Mil. lb.	17.14	19.36	22.25	17.06	26.43	38.30	22.00	36.57	23.47	19.92	22.48
Lamb and mutton	Mil. lb.	.37	.27	.30	.24	.29	.38	.39	.31	.38	.34	.31
Live animal imports:												
Cattle	Number	41,724	82,096	133,704	90,507	52,135	69,417	78,492	99,061	79,168	29,295	23,893
Hogs	Number	4,629	3,186	2,566	2,221	1,911	3,776	4,637	4,927	5,090	5,120	5,238
Sheep and lambs	Number	866	790	74	932	153	91	0	6	50	104	33
Live animal exports:												
Cattle	Number	16,826	19,585	15,822	12,263	13,356	33,859	12,643	17,990	14,982	18,162	23,127
Hogs	Number	1,015	1,731	1,106	306	517	1,477	1,174	904	334	395	293
Sheep and lambs	Number	14,373	9,859	29,680	13,346	6,805	19,409	26,640	33,257	26,891	23,481	21,363

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the meats listed.

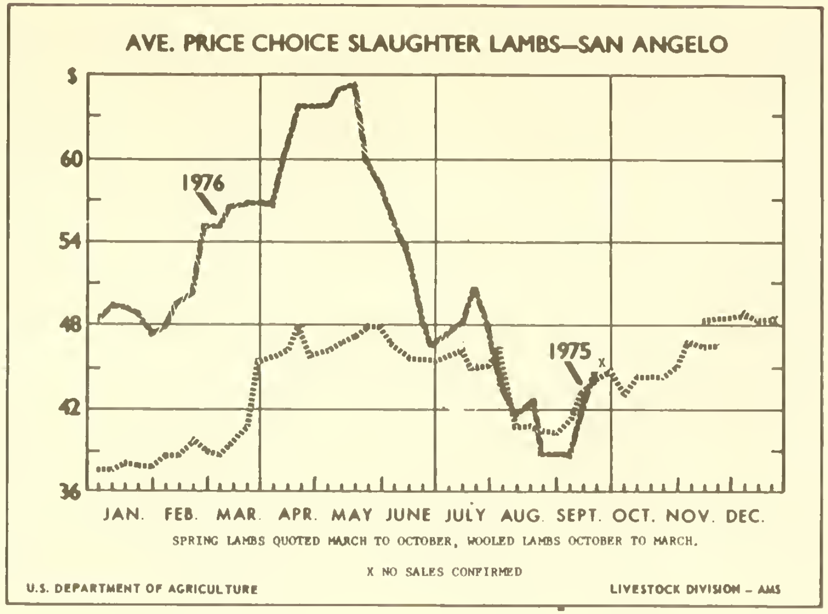
Selected price statistics for meat animals and meat

Item	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.
		1976								
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	45.01	41.18	38.80	36.14	43.12	40.62	40.52	37.92	37.02	36.97
Good, 900-1100 lb.	40.65	37.75	36.14	33.77	39.78	38.26	37.88	34.72	33.52	33.28
California, Choice 900-1100 lb.	47.25	41.06	39.62	37.75	45.69	41.94	42.92	39.25	39.31	38.75
Colorado, Choice 900-1100 lb.	45.81	41.22	38.87	35.35	44.74	40.97	41.40	37.84	37.22	37.34
Texas, Choice 900-1100 lb.	47.50	41.38	38.96	35.88	45.10	41.49	41.57	37.91	37.54	37.46
Cows:										
Omaha:										
Commercial	23.01	24.42	27.11	28.31	30.86	30.69	27.98	26.59	25.55	24.46
Utility	21.64	23.26	25.90	27.45	30.72	30.24	27.47	25.80	25.10	22.90
Cutter	19.47	20.89	23.62	25.09	27.58	27.60	24.93	23.82	22.75	20.90
Canner	16.95	18.45	20.25	21.80	24.31	24.95	22.76	22.18	20.89	18.62
Vealers, Choice, S. St. Paul	43.52	51.90	50.05	50.58	49.49	44.95	37.60	34.51	41.52	39.84
FEEDER STEERS:										
Kansas City:										
Choice, 400-500 lb.	35.94	37.47	41.40	44.01	47.01	47.58	44.81	40.64	41.13	38.18
Choice, 600-700 lb.	37.83	37.46	40.42	39.69	44.62	44.21	42.83	39.18	38.94	36.18
Good, 600-700 lb.	31.50	31.45	35.92	36.28	40.81	41.05	38.39	35.26	35.14	31.75
All weights and grades	37.79	36.66	36.95	38.82	43.49	42.38	40.24	37.58	37.55	34.03
Amarillo:										
Choice, 600-700 lb.	39.40	37.67	40.40	39.24	44.29	42.25	41.37	39.04	38.50	34.81
Good, 600-700 lb.	31.19	28.38	33.27	31.16	—	—	—	—	—	—
Georgia Auctions:										
Choice, 600-700 lb.	34.17	33.00	35.75	36.15	39.75	38.75	37.70	35.00	33.44	32.30
Good, 400-500 lb.	27.67	27.75	31.19	32.90	36.75	35.50	34.90	31.50	30.75	29.70
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-220 lb.	50.28	50.34	49.70	47.23	48.87	49.78	51.93	48.92	44.59	40.14
Nos. 1 & 2, 220-240 lb.	50.20	50.24	49.68	47.23	48.86	49.78	51.91	48.96	44.64	40.16
All weights	47.46	47.81	48.43	46.40	47.48	48.50	50.32	47.66	43.64	39.06
Sioux City	48.36	48.06	48.92	46.50	48.06	48.96	50.91	48.31	44.03	39.39
7 markets[1]	48.33	48.40	48.85	46.71	47.89	48.89	50.80	48.26	44.00	39.39
Sows:										
7 markets[1]	38.50	40.48	44.03	42.24	42.88	43.20	43.21	40.83	37.98	33.81
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	44.19	48.38	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.68
SHEEP AND LAMBS:										
Slaughter:										
Lambs, Choice, San Angelo	48.75	49.25	49.00	56.25	62.95	62.12	50.81	47.81	40.62	42.88
Lambs, Choice, So. St. Paul	46.19	46.94	46.56	50.92	55.77	64.75	50.01	46.02	38.64	39.77
Ewes, Good, San Angelo	17.44	17.75	16.12	18.90	18.44	19.75	17.56	19.44	17.69	15.90
Ewes, Good, So. St. Paul	9.46	12.20	12.50	12.81	13.42	13.12	13.65	13.88	13.61	12.46
Feeder Lambs:										
Choice, San Angelo	48.38	48.38	49.69	56.30	62.71	59.56	48.56	49.38	45.94	46.65
Choice, So. St. Paul	46.11	47.18	46.00	50.21	52.39	53.72	45.80	44.14	38.98	43.50
FARM PRICES:										
Beef cattle:	33.50	33.50	34.20	33.60	37.90	36.90	36.30	33.50	32.80	32.40
Calves	30.00	31.40	34.40	35.30	38.00	38.80	37.90	35.20	34.50	33.10
Hogs	47.50	47.50	47.90	45.50	47.00	47.50	49.10	47.70	42.60	39.70
Sheep	11.80	12.20	12.50	13.40	15.00	14.50	12.60	13.00	12.50	12.40
Lambs	46.30	47.70	46.80	49.70	54.60	60.30	51.00	46.90	41.40	41.80
MEAT PRICES:										
Wholesale:										
Midwest Markets:[2]										
Steer beef, Choice, 600-700 lb.	73.25	66.68	62.22	56.97	65.85	63.56	62.45	58.20	57.05	57.24
Heifer beef, Choice, 500-600 lb.	70.69	64.68	60.29	56.01	64.44	62.89	61.68	57.66	55.82	56.25
Cow beef, Canner and Cutter	44.61	49.12	53.25	56.44	60.48	59.12	54.88	53.48	51.62	47.75
Pork loins, 8-14 lb.	90.46	97.80	95.36	85.25	87.60	94.67	97.88	97.40	85.26	83.44
Pork bellies, 12-14 lb.	69.13	75.06	67.37	67.48	73.62	73.04	79.16	74.10	73.58	63.61
Hams, skinned, 14-17 lb.	101.81	83.43	80.68	85.48	84.19	82.86	81.76	77.32	74.66	72.18
East Coast:										
Steer beef, Choice 600-700 lb.	75.69	69.98	65.14	60.04	69.28	66.72	65.61	61.18	60.60	60.95
Lamb, Choice and Prime, 35-45 lb.	102.34	102.81	102.62	107.57	120.69	126.81	108.62	100.67	87.90	88.88
Lamb, Choice and Prime, 55-65 lb.	99.48	98.00	98.33	104.39	121.00	125.69	106.05	99.25	86.81	87.13
West Coast:										
Steer Beef, Choice, 600-700 lb.	77.61	71.84	66.22	61.33	72.08	67.42	67.92	62.96	62.12	62.32
Retail:										
Beef, Choice	150.6	148.6	142.7	135.1	142.0	141.7	140.8	138.2	135.8	
Veal	177.4	177.4	173.7	173.2	171.5	173.6	176.8	174.4	174.9	
Pork	147.5	144.2	141.6	138.7	136.6	138.6	140.4	142.1	137.4	
Lamb	177.0	178.3	178.1	181.4	183.4	188.2	193.1	192.4	189.8	
Price Indexes (BLS, 1967=100)										
Wholesale meat	196.0	190.4	180.3	171.7	183.5	182.8	182.0	175.3	164.7	
Retail meat	189.8	186.8	182.8	179.6	176.6	180.5	181.6	182.9	180.1	
Beef and veal	174.7	174.9	168.3	164.7	160.8	166.9	166.5	166.9	163.3	
Pork	219.6	210.1	205.4	204.3	200.0	201.9	205.0	208.7	206.0	
Other meats	181.2	180.3	178.8	177.7	178.4	180.2	181.9	181.9	181.0	
LIVESTOCK-FEED RATIOS, OMAHA[3]										
Beef steer-corn	17.6	16.0	14.9	13.8	16.6	14.8	14.2	13.4	13.8	14.3
Hog-corn	18.5	18.6	18.6	17.7	18.3	17.7	17.6	16.8	16.2	15.1

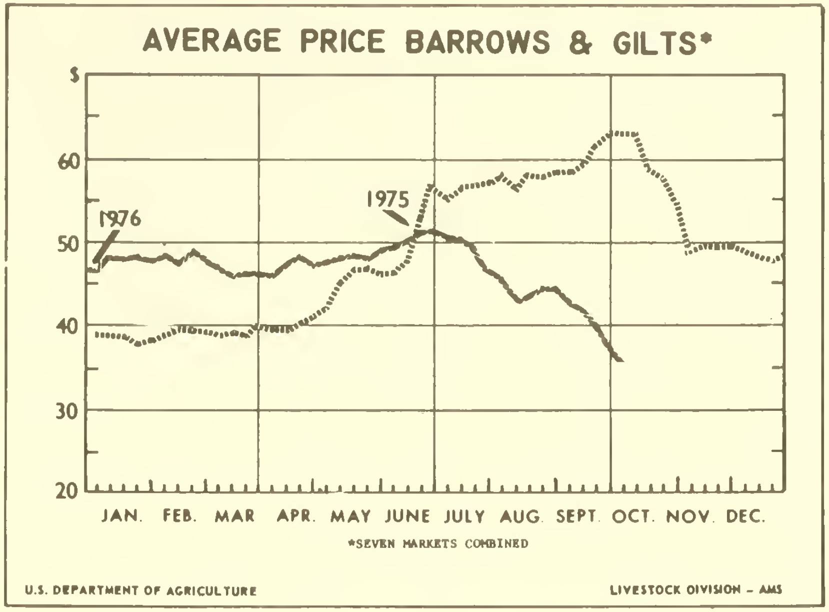
[1] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [2] Prior to Oct., 1975, Chicago Market. [3] Bushels of No. 2 Yellow Corn equivalent in value of 100 pounds liveweight.



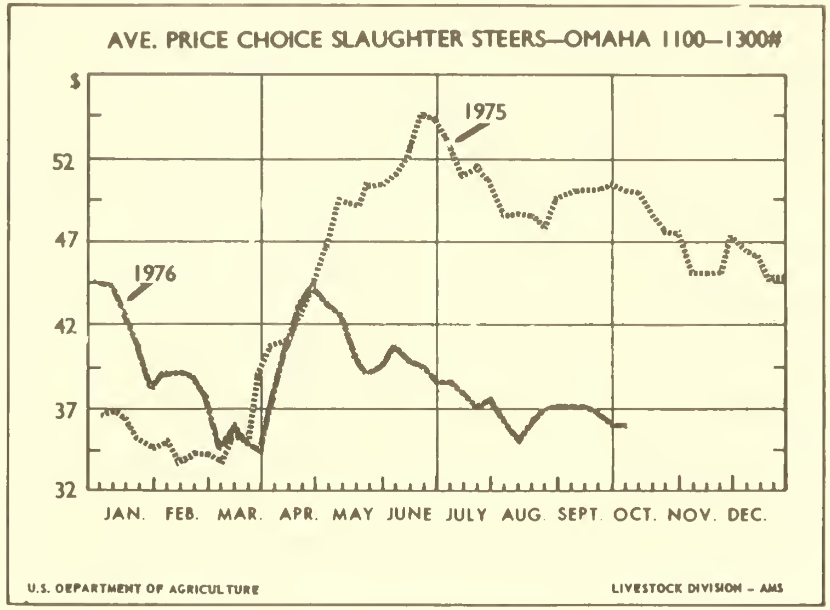
AVE. PRICE CHOICE FEEDER STEERS 600—700# — KANSAS CITY
$
58
49
40
31
22
1976
1975
JAN. FEB. MAR. APR. MAY JUNF JULY AUG. SEPT. OCT. NOV. DEC.
U.S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION – AMS



AVE. PRICE CHOICE SLAUGHTER LAMBS—SAN ANGELO
$
60
54
48
42
36
1976
1975
x
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH.
X NO SALES CONFIRMED
U.S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION – AMS



AVERAGE PRICE BARROWS & GILTS*
$
60
50
40
30
20
1976
1975
JAN. FEB. MAR APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
*SEVEN MARKETS COMBINED
U.S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION – AMS



AVE. PRICE CHOICE SLAUGHTER STEERS—OMAHA 1100—1300#
$
52
47
42
37
32
1975
1976
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
U.S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION – AMS

GRADE CONSIST OF FED BEEF (BEFORE AND AFTER REVISIONS)

by
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ABSTRACT: The effect of recent grade revisions on the grade consist was determined on 18,257 fed beef carcasses surveyed between November 1973 and October 1974. Under the revised standards there would have been an increase in the number of carcasses grading Prime, Choice, and Standard and a corresponding decrease in the number of carcasses grading Good. The greatest changes in grade were a result of the revisions in the marbling-maturity relationships for beef from young cattle.

KEYWORDS: Beef carcasses, grade consist, grade standards, revisions.

In February 1976, revisions in the USDA beef grade standards became effective. Four major changes were included in the revised standards:

—All federally graded beef carcasses must now be identified for both quality and yield grade. Since 1965, when yield grades were adopted, they could have been graded for either one or both.

—Conformation (shape of carcass) was eliminated as a quality grade factor.

—Reductions, of up to one degree of marbling, were made in the marbling requirements for the Prime, Choice, and Standard grades. This was done to reflect the research which indicated that for beef from cattle up to about 30 months of age, changes in maturity did not affect its palatability.

—The range of marbling included in the U.S. Good grade was narrowed to make that grade more consistent in eating quality.

Many questions have been raised about how changes in beef grade standards may affect the quality grades of our fed beef production. A study of the quality and yield grade distribution conducted by USDA's Agricultural Marketing Service (AMS) before the grade changes went into effect provides information useful in answering these questions.

From November 1973 through October 1974, AMS conducted a nationwide survey of the quality and yield grade makeup of fed beef production. Steer and heifer carcasses are the main source of our fed beef; however, bullock carcasses were also included in the survey because they are often marketed through the same outlets as steer and heifer beef. The carcass data collected included: quality grade factors (conformation, maturity, and marbling); final quality grade; yield grade factors (carcass weight, actual and adjusted fat over the ribeye, ribeye area, and estimated percent kidney, pelvic, and heart fat); and yield grade.

For steer and heifer carcasses, evaluations were based on the standards in effect since June 1965. The bullock grade standards, which are essentially the same as those for steer and heifer beef, became effective in July 1973. The data for all classes were collected in such a way that it is possible to estimate what the grade composition would have been under the revised standards.

Table 1 shows the percentage breakdown of carcasses in each quality and yield grade as they were graded under the old standards.

Table 2 shows the breakdown of quality and yield grades under the new standards. A comparison of the old and new standards shows that the most sizeable difference in grade consist is found in the Choice and Good grades.

Under the revised standards, 68 percent of the carcasses would have been graded Choice com-

pared with the 54 percent that were graded Choice under the old standards. The reduced marbling requirements for Choice permitted many carcasses in the upper part of the old Good grade to qualify for Choice. By contrast, two-fifths of the carcasses graded Good under the old standards, but only a fifth would have been in this grade under the new standards. This reflects the change in some Good to Choice plus a change of some Good to Standard (because of an increased marbling requirement for the youngest carcasses in Good) and the elimination of some carcasses with Standard grade quality of lean and superior conformation from the Good grade. These latter changes also resulted in a slight increase in Standard grade beef under the new standards. The data also show a slight increase in Prime—6.6 percent under the new standards compared with 4.5 percent which qualified for Prime under the old standards.

The average grade of the carcasses surveyed was low Choice and Yield Grade 3.4. Other averages included: hot carcass weight—679 pounds; adjusted fat thickness—0.62 inches; ribeye area—11.8 square inches; and estimated percent of kidney, pelvic, and heart fat—3.0 percent. Conformation was a limiting factor on the grade of only 3.2 percent of the carcasses surveyed. Heifer carcasses graded Choice at lower average weights than steers, and bullocks were significantly lower in quality grades than either steers or heifers.

Although this study will serve as a benchmark for measuring changes in the makeup of our future beef supply, when evaluating such changes—or estimating what the distribution might be at any time in the future—the conditions that prevailed during the survey should be kept in mind.

During the period of study (late 1973 and through most of 1974) several unusual circumstances significantly influenced beef production and had a severe impact on fed beef output. Increasing beef production, generally declining fed cattle prices, and higher costs of grain resulted in large financial losses for cattle feeders and prompted a sharp cutback in both the number of cattle fed and the average length of time they were fed. The number of steers and heifers marketed from feedlots dropped from an alltime peak of 27.7 million head in 1972 to 25.9 million in 1973, and 23.9 million in 1974. During the fourth quarter of 1973, when the survey began, fed steers and heifers accounted for nearly three-fourths of the commercial cattle slaughter and 94 percent of the commercial steer and heifer slaughter. However, during the fourth quarter of 1974 when the survey was completed, fed steer and heifer slaughter made up only 56 percent of the commercial cattle slaughter and 77 percent of the commercial steer and heifer slaughter.

The beef carcasses surveyed came from cattle produced under the old standards, so it is important to keep in mind that, to a certain extent, Federal beef grade standards influence the grades of beef produced. It should be recognized that the changes in the grade distribution of fed beef reported in this study would be realized only if cattle are fed and managed as they were during the period of the study and that the grade consist of our fed beef supply depends upon the cost of producing the different grades in relation to the demand for them.

A detailed report of this study will be published in the near future. Copies will be available from the Standardization Branch, Livestock Division, AMS, U.S. Department of Agriculture, Washington, D.C. 20250.

Table 1—Percent of all carcasses surveyed in each yield and old quality grade

Yield grade	Prime	Choice	Good	Standard	Utility	Total
1	([1])	1.0	2.6	0.4	([1])	4.1
2	0.5	11.0	13.7	0.6	([1])	25.7
3	1.8	25.5	16.4	0.3	0	43.9
4	1.6	12.9	5.9	0.1	0	20.5
5	0.6	3.7	1.3	([1])	0	5.8
Total ..	4.5	54.1	39.9	1.4	([1])	100.0

[1] Less than 0.05 percent.

Table 2—Percent of all carcasses surveyed in each yield and new quality grade

Yield grade	Prime	Choice	Good	Standard	Utility[1]	Total
1	([2])	1.5	1.4	1.0	([2])	4.1
2	0.9	15.5	7.7	1.7	([2])	25.7
3	2.8	31.6	8.6	0.9	0.1	43.9
4	2.1	15.2	3.0	0.2	0.1	20.5
5	0.8	4.2	0.6	0.1	([2])	5.8
Total ..	6.6	68.0	21.3	3.9	0.2	100.0

[1] Includes carcasses too mature for Good and Standard. [2] Less than 0.05 percent.

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